

8/15/78

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Henry Owen to Pres. Carter, 1 pg., re: Cong. Vanik & meat imports <i>opened per RAC NLC-126-14-3-1-2, 6/12/13</i>	8/11/78	A

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Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File, 8/15/78 Box 99

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THE PRESIDENT'S SCHEDULE

Tuesday - August 15, 1978

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

9:00 Mr. Frank Moore - The Oval Office.

9:10 Mr. Bill Boner, Congressional Candidate,
(2 min.) 5th District, Tennessee. (Mr. Frank Moore).
The Oval Office.

9:13 Mr. Ruben Brooks, Congressional Candidate,
(2 min.) 43rd District, Calif. (Mr. Frank Moore).
The Oval Office.

9:30 Signing Ceremony for H.R. 8336 - Chattahoochee
(10 min.) River National Recreation Area, Georgia.
(Mr. Frank Moore) - The Rose Garden.

10:30 Mr. Jody Powell - The Oval Office.

12:00 Lunch with Vice President Walter F. Mondale.
(60 min.) The Oval Office.

1:05 Mr. Hank Aaron. (Mr. Tim Kraft).
(5 min.) The Oval Office.

2:00 Newsweek Interview. (Mr. Jerry Rafshoon).
(60 min.) The Oval Office.

8/15/78

THE WHITE HOUSE
WASHINGTON

Chat R Nat Rec Area

Tal. Mun. Fow. Lev.

Ab. Wms. Benton

48 - Bedford Am. P'tree C.

25% H₂O

71 Scott Nat Hist L'ine
Kansas

signing ceremony for
h.r. 8336--chattahoochee
river national recreation
area 8/15/78


- a) Emphasize U.S. military strength
- b) ACDA director
- c) Defense authorization
- d) ~~Emphasize~~ Encroach on SU
influence. Angola, Ethiopia,
Vietnam, Mozambique, E Europe
India
- e) Expedite CM's, MRBM
- f) US military presence in M East
- g) SALT considerations
- h) PRC
- i) SU economy in future

6:30 PM

THE WHITE HOUSE
WASHINGTON

August 15, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JERRY RAFSHOON 

SUBJECT: MEDIA DINNER WITH REPRESENTATIVES FROM
US NEWS AND WORLD REPORT, MACNEIL-LEHRER
REPORT, NY TIMES AND MR. AND MRS. DON CARTER,
TUESDAY, AUGUST 15, 1978, 6:30P

BACKGROUND:

The participants in tonight's dinner are Mr. and Mrs. Arthur Sulzberger and Mr. and Mrs. Abe Rosenthal from the New York Times; Mr. and Mrs. Jim Lehrer and Mr. Robin MacNeil from the MacNeil-Lehrer Report; Mr. and Mrs. Marvin Stone and Mr. and Mrs. John Mashek from US News and World Report; and Mr. and Mrs. Don Carter.

PARTICIPANTS:

Mr. and Mrs. Arthur Sulzberger (wife-Carol)

Arthur Sulzberger is Chairman and President of the New York Times Company. He has been with the NY Times since 1951. Was named President and Publisher in 1963.

Mr. and Mrs. A. M. (Abe) Rosenthal (wife-Ann)

Abe Rosenthal is Executive Editor of the NY Times. He was born in Ontario Canada in 1922 and became a naturalized US citizen in 1951. Joined the staff of the NY Times in 1944. Served as UN correspondent 1946-54. From 1954-63 served as correspondent from India, Poland, Geneva and Tokyo. Named Assistant Managing Editor in 1967; promoted to Managing Editor in 1969 and named Executive Editor in 1977. Winner of Pulitzer Prize for international reporting in 1960.

Mr. and Mrs. Jim Lehrer

(wife-Kate)

Jim Lehrer, 44, is Associate Editor of the MacNeil-Lehrer Report. He is a graduate of the University of Missouri and in 1961 joined the Dallas Times Herald as a reporter. In 1966 he was named political editor of the Herald and in 1968 was named City Editor. In 1969 he became Executive Producer of KERA-TV, a public affairs station in Dallas. During this time is served on the Public Broadcasting Service Advisory Board and was a public affairs coordinator for PBS. In 1971 he worked with Robin MacNeil on the PBS program IMPACT. He is the author of two books, We Are Dreamers, which is autobiographical and Viva Max, a book at the retaking of the Alamo which was made into a movie starring Peter Ustinov.

Mr. Robert (Robin) MacNeil

Robin MacNeil, 48, is Executive Editor of the MacNeil-Lehrer Report. He was born in Canada and graduated from Carleton University. In 1955 he moved to England and became a correspondent for Reuters. In 1960 he became the London correspondent for NBC and covered the building of the Berlin Wall in 1961. He went to Cuba in 1962 during the missile crisis and was held prisoner for two weeks. In 1963 he returned to the United States and covered the civil rights marches in the South for NBC. He was a White House correspondent and was in Dallas when President Kennedy was assassinated. He rejoined BBC in 1967 and hosted the Panorama Show and the 68 elections from London. He has written several books on the media and its effect on politics. In August of 1975 he returned to the US and joined PBS.

Mr. and Mrs. Marvin Stone

(wife-Terry)

Marvin Stone was named Editor in Chief of US News and World Report in 1976. Following college he joined the Huntington (W. Va.) Herald-Dispatch as an assignment editor. In 1949 he joined International News Service as a European correspondent. He joined US News and World Report in 1960 and became general editor in 1966. Served in the USNR 1943-46.

Mr. and Mrs. John Mashek

(wife-Sara)

John Mashek was named Political Editor of US News and World Report in February 1978. He was born in Sioux Falls, SD, and is a graduate of the University of Minnesota. In 1955 he joined the Dallas Morning News as a local reporter and was named Washington Bureau Chief in 1960. In 1964 he joined US News and World Report as Houston Bureau Chief where he covered local politics. He moved to Washington in 1970 and was in charge of Congressional reporting. He served as White House correspondent from 1974 - 78. His wife, Sara, is from Clarksville, TN, and they have four sons, ages 21 to 15.

cc: Mrs. Carter
Gretchen Poston

THE WHITE HOUSE
WASHINGTON
August 15, 1978

STU EIZENSTAT:

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: SMALL BUSINESS ADMINISTRATION
COMPLIANCE WITH FLOODPLAIN
EXECUTIVE ORDER: STATUS

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
✓	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE
WASHINGTON

August 15, 1978

Good
J

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT
KATHY FLETCHER

Stu

SUBJECT: Small Business Administration Compliance
With Floodplain Executive Order: Status

In his weekly report of June 12, Vernon Weaver mentioned to you that the regulations required under the Floodplain Executive Order issued last year would be very burdensome for the Small Business Administration. As you recall, the Executive Order was designed to discourage Federal actions which result in increased development in floodplains. The Water Policy Message directed that implementation of this Order be expedited. You asked Weaver to supply more information, which he did in a memorandum of June 15 which asked that SBA be completely exempted from the Executive Order.

In analyzing the situation further, SBA and CEQ now feel that SBA regulations can be simplified within the framework of the Executive Order, and that it is not necessary or desirable to exempt the SBA from coverage. A number of SBA activities do encourage floodplain activities which are significant and should be addressed in the context of the water policy and the need to reduce flood losses.

Discussions have been proceeding among SBA, CEQ, the Water Resources Council and my staff on how the Executive Order can reasonably apply to SBA, and Vernon Weaver has withdrawn his earlier request to you for an exemption. SBA intends to promulgate revised regulations by September 24.



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR

MEMORANDUM FOR:

THE PRESIDENT
THE WHITE HOUSE

Comment
✓

SBA CONCERNED OVER PROPOSED REGULATIONS FOR FLOODPLAIN MANAGEMENT AND WETLANDS PROTECTION: The proposed regulations for implementing Executive Orders 11988 and 11990 could effect extremely serious delays in loan processing. The time delay could easily amount to 6-12 months before a loan application could be processed. It would require substantial expenditures of time, money and effort by applicants and participating banks before the application could be presented to SBA for consideration. The disaster loan program could be seriously impaired, if not destroyed, under the proposed regulation. Disaster-declarations could be delayed for 6 months or more; totally destroying our ability to be responsive to business victims of disaster. We urge that implementation of Executive Orders 11988 and 11900 not be applicable, to disaster declaration, and with respect to loans, be applicable, if at all, only to those of over \$500,000.

SURETY BOND PROPOSAL MEETS OPPOSITION AT OMB: Small Business Administration officials have been working with Jack Watson in an effort to establish and maintain improved relationships with surety bonding companies in order to continue the current status of our Surety Bonding Program, and to increase our capacity for assisting small and minority owned businesses. We have encountered strong differences of opinion with the Office of Management and Budget which, in cooperation with Jack Watson, we are trying to resolve.

A. Vernon Weaver
Administrator



~~Excluded from the public release of the President's papers~~

THE WHITE HOUSE
WASHINGTON

8/14/78

Mr. President:

As usual, time can be found
to include this item on your
schedule. *if you wanted* It will crowd things
and I doubt it will get much
coverage other than the
special interest groups that
supported it but that may be
enough of a reason.

 approve signing ceremony

 ✓ disapprove

*Fritz can
have press event
J Phil*

THE WHITE HOUSE

WASHINGTON

August 14, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

Consumer Cooperative Bank Signing
Ceremony

Anne, Esther Peterson and I strongly recommend a Rose Garden ceremony for the signing of the Consumer Cooperative Bank bill which passed both houses overwhelmingly. The bill must be signed during the week of August 14. Fran has indicated that your schedule will not permit this event. While I recognize this week will be busy, I urge you to reconsider Fran's decision for several reasons:

- o This is easily the most important piece of consumer legislation which will be enacted this year.
- o A signing ceremony will enable us to indicate the depth of our commitment to consumers in a visible way. Consumer and urban leaders from throughout the country would be invited.
- o The Administration was criticized by consumer groups because of our original opposition to the Bank. A signing ceremony would clearly indicate that we welcome Consumer Coops and did not change our position just because of an expected defeat in the Senate.
- o This legislation has been the highest priority for a decade for its sponsor, Congressman St. Germain. He is also managing the Financial Institutions Reform Act of 1978, which is strongly supported by the Administration and will be subject to floor action in September.
- o I believe that we should use opportunities such as this to emphasize our legislative successes. Unfortunately, we have not had many major Administration bills to sign this year. When an opportunity to

sign such a bill arises, we should use it fully -- as a way to reward our supporters and to convey the fact that we are having legislative successes.

_____ Approve _____ Disapprove

4:30

51.00

4.15

THE WHITE HOUSE
WASHINGTON

4:30

8/15/78

Mr. President:

Jim McIntyre, Sec. Brown
and Zbig have requested a meeting
with you this week to discuss
the defense appropriations bill.
Jim said he discussed the possibility
of such a meeting with you last
weekend.

☒ approve meeting

☐ disapprove meeting

Phil

Today if
possible
J

THE WHITE HOUSE
WASHINGTON

August 15, 1978

Jerry Rafshoon

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

TAXES

Rafsdorn.
Get our act
together
J

I WANT AN ACROSS-THE-BOARD TAX CUT OF ABOUT \$15 BILLION
A YEAR. I'D LIKE IT TO BE EVEN BIGGER, BUT WE HAVE TO
LIVE IN THE REAL WORLD WITH THE HARD FACTS OF INFLATION
AND BUDGET DEFICITS. ONE REPUBLICAN PROPOSAL, THE KEMP-
ROTH PLAN, WOULD CREATE A \$100 BILLION DEFICIT BY 1980.
ANOTHER -- THE STEIGER-JONES PLAN -- WOULD CUT TAXES FOR
PEOPLE EARNING \$25,000 A YEAR BY EXACTLY 25 CENTS A YEAR.
THREE THOUSAND PERSONS EARNING MORE THAN A MILLION DOLLARS
A YEAR WOULD GET AVERAGE TAX CUTS OF \$215,000 AND 110 RICH
AMERICANS WOULD WIND UP PAYING NO FEDERAL INCOME TAX AT ALL.
MY MORE MODERATE TAX DECREASE WILL STIMULATE THE ECONOMY,
DISTRIBUTE THE TAX BURDEN MORE FAIRLY, AND CREATE JOBS
BY PROMOTING CAPITAL FORMATION. IF A BILL COMES OUT OF
CONGRESS THAT FULFILLS THESE GOALS, I WILL SIGN IT.

TAXES

I WANT AN ACROSS-THE-BOARD TAX CUT OF ABOUT \$15 BILLION A YEAR. I'D LIKE IT TO BE EVEN BIGGER, BUT WE HAVE TO LIVE IN THE REAL WORLD WITH THE HARD FACTS OF INFLATION AND BUDGET DEFICITS. ONE REPUBLICAN PROPOSAL, THE KEMP-ROTH PLAN, WOULD CREATE A \$100 BILLION DEFICIT BY 1980. ANOTHER -- THE STEIGER-JONES PLAN -- WOULD CUT TAXES FOR PEOPLE EARNING \$25,000 A YEAR BY ABOUT ONE DOLLAR. THREE THOUSAND PERSONS EARNING MORE THAN A MILLION DOLLARS A YEAR WOULD GET AVERAGE TAX CUTS OF \$215,000 AND 110 RICH AMERICANS WOULD WIND UP PAYING NO FEDERAL INCOME TAX AT ALL. MY MORE MODERATE TAX DECREASE WILL STIMULATE THE ECONOMY, DISTRIBUTE THE TAX BURDEN MORE FAIRLY, AND CREATE JOBS BY PROMOTING CAPITAL FORMATION. IF A BILL COMES OUT OF CONGRESS THAT FULFILLS THESE GOALS, I WILL SIGN IT.


corrected copy

THE WHITE HOUSE

WASHINGTON

August 15, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Jerry Rafshoon 
SUBJECT: Newsweek Interview

You will be interviewed by Newsweek bureau chief Mel Elfin (a good friend of the Vice President's) and White House Correspondents, Tom DeFrank and Eleanor Clift.

We have learned that they are looking for an "introspective, general" interview (they feel that Business Week and U.S. News and World Report have asked most of the issue questions already.) If there is enough substance to it they will do a Q & A format; otherwise they will run it as a story as Time did.

This may be our best opportunity yet in this series of interviews to address the themes, goals and priorities. It is also a good chance to talk about the frustrations of dealing with Congress and special interest groups. You should try to insert "getting control" and "energy, economy, and efficiency" where ever you can squeeze it in. People are beginning to pick up these themes but we need to keep repeating them.

They are hoping for a very relaxed, informal, candid discussion. You should be reflective and thoughtful. A little personal talk might help. Tom DeFrank (believe it or not) is an avid tennis player. Any mention of Mondale will be helpful with Elfin.

GENERAL (What are the goals of your Administration?)

WE NEED TO GET CONTROL OVER THE MAJOR PROBLEMS THAT FACE OUR COUNTRY AND THERE ARE THREE THAT ARE PARTICULARLY IMPORTANT: ENERGY, THE ECONOMY AND EFFICIENCY IN GOVERNMENT. DURING THE CRISES OF VIETNAM AND WATERGATE WE NEGLECTED THESE CRITICAL AREAS OF OUR NATIONAL LIFE. SINCE 1974 OIL IMPORTS HAVE DOUBLED AND WE STILL HAVE NO ENERGY POLICY IN THIS COUNTRY. INFLATION HAS BEEN WITH US FOR TEN YEARS NOW AND IS STILL GROWING. WHEN I CAME INTO OFFICE UNEMPLOYMENT WAS NEARLY EIGHT PERCENT (7.8%) - MUCH TOO HIGH. OUR GOVERNMENT IS TOO BIG, OUR BUREAUCRACY UNMANAGEABLE, OUR TAXES TOO HIGH. EVERYTHING I HAVE DONE SINCE BECOMING PRESIDENT HAS BEEN DESIGNED TO LEAD OUR NATION TOWARDS BETTER CONTROL OF THESE AND OTHER IMPORTANT PROBLEMS.

ACHIEVEMENTS

SINCE I TOOK OFFICE, I HAVE BEEN WORKING TO HELP OUR NATION GET CONTROL OF THE MOST SERIOUS AND IMPORTANT ISSUES BEFORE IT, PRIMARILY IN THE AREA OF ENERGY, THE ECONOMY AND EFFICIENCY IN GOVERNMENT, AND I THINK WE HAVE MADE SUBSTANTIAL PROGRESS. THE NUMBER OF UNEMPLOYED AMERICAN WORKERS HAS DROPPED BY NEARLY ONE-FIFTH, AND UNEMPLOYMENT IS AT ITS LOWEST LEVEL SINCE 1974. WE HAVE MADE SIGNIFICANT GAINS IN REAL INCOME AND IN HOUSING STARTS. WE HAVE PASSED A \$21 BILLION PROGRAM FOR FURTHER ECONOMIC RECOVERY AND ENSURED THE VIABILITY OF SOCIAL SECURITY THROUGH THE YEAR 2000. WE ARE BRINGING THE FEDERAL BUREAUCRACY UNDER CONTROL FOR THE AMERICAN PEOPLE, REDUCING WASTE, RED-TAPE AND UNNEEDED DELAY. OUR NATION HAS STRENGTHENED ITS RELATIONS WITH OUR NATO ALLIES, AND WITH THE COUNTRIES OF LATIN AMERICAN AND AFRICA, AND WE'RE RESPECTED THROUGHOUT THE FREE WORLD FOR ONCE AGAIN PUTTING OUR NATION'S NAME FORWARD IN THE NAME OF HUMAN RIGHTS. I THINK WE'RE RESTORING OUR PEOPLE'S TRUST IN THEIR GOVERNMENT, WHICH IS MOST IMPORTANT OF ALL, AND I WILL CONTINUE TO WORK TO EARN THAT TRUST WITH FURTHER PROGRESS LIKE WE HAVE MADE IN THE LAST 18 MONTHS.

THE POLLS

I LEARNED AS GOVERNOR OF GEORGIA THAT YOU CAN'T RUN A GOVERNMENT ON THE BASIS OF THE OPINION POLLS. IN THE SHORT TIME THE ADMINISTRATION HAS BEEN IN OFFICE, WE HAVE TRIED TO TAKE ON SOME OF THE MOST DIFFICULT ISSUES OUR NATION FACES -- ENERGY, THE ECONOMY AND EFFICIENCY IN GOVERNMENT. ANYONE WHO WANTS TO TAKE THE LEAD ON A DIFFICULT ISSUE HAS TO INVEST A LOT OF TIME EXPLAINING AND EDUCATING. FOUR YEARS AGO, WHEN I WAS SAYING WE NEEDED TO MAKE GOVERNMENT MORE COMPETENT, MANY PEOPLE THOUGHT THAT WAS A STRANGE THEME FOR A DEMOCRATIC CANDIDATE. NOW IT'S WIDELY RECOGNIZED AS ONE OF OUR MAJOR POLICY CHALLENGES. I THINK THE POLLS REFLECT DISAPPOINTMENT WITH THE PACE OF PROGRESS, RATHER THAN DISAGREEMENT WITH OUR GOALS. I HAVE BEEN DISAPPOINTED WITH THE PACE TOO -- AND I AM CONFIDENT THAT WE ARE STARTING TO MOVE MUCH MORE QUICKLY NOW.

-- (We recommend not dwelling on the details of the polls -- such as regional breakdowns or personal popularity versus performance rating -- since that suggests that you are spending your time poring over the results instead of charting your own independent course.)

CAMP DAVID SUMMIT

Q: What do you hope to achieve by getting Sadat and Begin to talk at Camp David? Isn't this a high-risk strategy?

- A: -- Important to pursue every avenue that can open way to Middle East peace.
- Talks have been stalemated in recent months, with both sides reluctant to go beyond known positions.
- Need to engage top leaders fully in search for creative solutions to problems that exist; need to go beyond old formulations and try to find ways of balancing requirements of peace, security, withdrawal, as called for in 242, as well as Palestinian rights.
- Summit meeting alone cannot bring peace to Middle East, but hope to discuss framework within which negotiations can proceed.
- Risks of meeting may be high; but risks of doing nothing are much greater.

ENERGY

9X/6422

THE LONGER WE GO WITHOUT A NATIONAL ENERGY PLAN,
THE MORE WE HURT OUR INTERNATIONAL RELATIONS, OUR DOLLAR,
OUR ECONOMY, AND OUR NATIONAL SECURITY. MORE THAN HALF
OUR OIL COMES FROM ABROAD. THESE HUGE IMPORTS -- UP FROM
\$4.7 BILLION IN 1972 TO \$42 BILLION TODAY -- FUEL INFLATION
AND LEAVE OUR ECONOMY AT THE MERCY OF A FOREIGN CARTEL.
WITHOUT AN ENERGY PLAN, WE WILL CONTINUE TO WASTE MORE
ENERGY THAN ANY NATION ON EARTH. CONGRESS HAS MADE
ENCOURAGING PROGRESS ON MANY PARTS OF THE ENERGY PLAN I
PROPOSED MORE THAN A YEAR AGO. HOW WELL IT DOES WITH THE
REST WILL TELL WHETHER WE ARE MATURE ENOUGH AS A NATION TO
PUT BROAD NATIONAL INTEREST AHEAD OF NARROW SPECIAL INTERESTS.
I THINK WE ARE.

Answers to specific questions likely to be raised:

Q: Will OPEC raise oil prices later this year?

A: There is a world surplus of oil right now. I hope
OPEC nations will see that their long-term interest lies
in strengthening the world economy by keeping prices stable.
Our own long-term interest lies in the adoption of a sound
national energy plan.

Q: What about basing oil prices on the value of some "basket" of currencies, to make up for the dollar's decline?

A: There is no reason to anticipate a long-term depreciation of the dollar in terms of other currencies. Besides, the dollar will move up and down over time relative to any basket of currencies. And the dollar's relative purchasing power is now only slightly below its early 1974 level, just after the big increase in oil prices. Moreover, we are determined to take the fundamental measures on inflation, energy and exports which are necessary to strengthen the dollar. I'm sure the OPEC countries will take these measures into account.

EMPLOYMENT
IN THE 18 MONTHS SINCE THE ADMINISTRATION PROPOSED

ITS ECONOMIC STIMULUS PACKAGE, OUR NATION HAS ENJOYED
ONE OF THE MOST DRAMATIC ECONOMIC IMPROVEMENTS IN OUR
HISTORY. SIX MILLION MORE PEOPLE ARE AT WORK TODAY
THAN AT THE END OF 1976. THE NUMBER OF UNEMPLOYED
PEOPLE HAS FALLEN BY 17 PERCENT AND THE UNEMPLOYMENT
RATE HAS GONE DOWN BY MORE THAN 1 1/2 PERCENTAGE
POINTS. WE'VE SAVED \$18 BILLION IN UNEMPLOYMENT
INSURANCE AND MORE THAN \$4 BILLION IN WELFARE THAT
WE WOULD HAVE HAD TO PAY IF THE RATE HAD NOT COME
DOWN.

18
4
22

THERE ARE STILL TOO MANY PEOPLE OUT OF WORK --
ESPECIALLY AMONG THE YOUNG AND MANY MINORITY GROUPS --
BUT THE PROGRESS SO FAR PROVES THE SUCCESS OF THE
BALANCED, TARGETED STIMULUS PLAN WE PROPOSED LAST YEAR.
THE SAME CAREFUL APPROACH WILL ENABLE US TO CONTINUE
REDUCTIONS IN UNEMPLOYMENT -- WHILE FIGHTING TODAY'S
MAIN ECONOMIC PROBLEM, WHICH IS INFLATION.

NATIONAL HEALTH INSURANCE

MY PHILOSOPHY IS TO CONCENTRATE NOT JUST ON THE INTENTIONS OF GOVERNMENT PROGRAMS, BUT ON THEIR REAL-WORLD EFFECT. THE BEST INTENTIONS IN THE WORLD WILL DO NO GOOD UNLESS WE KNOW HOW TO PAY FOR THEM AND HOW TO CARRY THEM OUT. SO I THINK A RESPONSIBLE, PHASED APPROACH TO HEALTH INSURANCE IS ONE THAT WILL MAKE SURE WE GET THE RESULTS WE WANT, AND WILL GIVE US CONTROL OVER THE COSTS. THE LAST THING WE NEED IS ANOTHER PROGRAM WE CAN'T AFFORD AND CAN'T MANAGE. I DISAGREED WITH DOUG FRASER AND SENATOR KENNEDY ON NATIONAL HEALTH INSURANCE BECAUSE THEIR APPROACH GAVE INADEQUATE ATTENTION TO INFLATION.

THE PLAN I HAVE PROPOSED WILL PROTECT AMERICAN FAMILIES FROM CATASTROPHIC MEDICAL CARE COSTS; IT WILL GIVE US CONTROL OVER SOARING MEDICAL COSTS; AND IT WILL LET US LOOK AT EACH STEP ALONG THE WAY, SO THAT WE WILL KNOW EXACTLY WHAT THE COSTS ARE BEFORE WE GO AHEAD. IT'S A HARDER FIGHT TO CONTROL SOARING MEDICAL COSTS THAN JUST TO POUR MORE MONEY INTO THE SWOLLEN MEDICAL CARE SYSTEM. BUT THAT IS THE FIGHT WE'RE GOING TO MAKE.

CIVIL SERVICE REFORM

THE FISCAL 1979 BUDGET PROVIDES MORE THAN \$50 BILLION FOR SALARIES AND BENEFITS, NOT INCLUDING POSTAL SERVICE AND THE MILITARY. TAXPAYERS HAVE A RIGHT TO EXPECT A GOOD RETURN ON THIS INVESTMENT. BUT TOO OFTEN THE FEDERAL CIVIL SERVICE REWARDS MEDIOCRITY ALMOST AS WELL AS MERIT. THE CIVIL SERVICE REFORMS I HAVE PROPOSED TO CONGRESS WOULD DO SOMETHING ABOUT THAT. THEY ARE DESIGNED TO LET MANAGERS MANAGE, WHILE AT THE SAME TIME PROTECTING CIVIL SERVANTS FROM IMPROPER POLITICAL INTERFERENCE OR ABUSE. THEY ARE DESIGNED TO RESTORE THE BELIEF -- WHICH MOST OF US GREW UP TAKING FOR GRANTED -- THAT CIVIL SERVANTS SHOULD SERVE THE CITIZENS. THEY ARE DESIGNED TO REWARD MERIT AND EXCELLENCE IN PERFORMANCE. THROUGHOUT THE COUNTRY THERE HAS BEEN OVERWHELMING PUBLIC SUPPORT, BUT THE OPPONENTS OF CIVIL SERVICE REFORM ARE MARSHALLING THEIR FORCES TO GUT THE BILL. THEY ARE TRYING TO DELAY IT TO DEATH. IF THIS BILL DOESN'T PASS IN THIS SESSION OF CONGRESS IT WILL BE MUCH, MUCH HARDER TO IMPLEMENT GOVERNMENT REORGANIZATION, IMPROVE THE MANAGEMENT OF THE FEDERAL BUREAUCRACY, AND ENHANCE THE PROTECTIONS OF THE MERIT SYSTEM. THE STAKES ARE VERY HIGH.

INFLATION

OUR NATION HAS MADE VERY STRONG ECONOMIC PROGRESS IN THE LAST 18 MONTHS -- WE'VE CUT THE RANKS OF THE UNEMPLOYED BY NEARLY ONE-FIFTH SINCE I BECAME PRESIDENT. BECAUSE OF THIS, WE'VE BECOME VERY AWARE OF THE INFLATION PROBLEM, WHICH HAS BEEN WITH US NOW FOR TEN YEARS, AND WON'T GO AWAY EASILY. IT WILL BE A LONG, TOUGH STRUGGLE, BUT I AM CONFIDENT THAT WE WILL SLOW INFLATION AND EVENTUALLY "TOP THE CURVE." I HAVE CALLED FOR A VOLUNTARY EFFORT TO MODERATE OUR WAGE AND PRICE DEMANDS, TO WHICH MANY LABOR AND BUSINESS LEADERS HAVE ALREADY POSITIVELY RESPONDED, AND SUBMITTED A FEDERAL BUDGET WHICH GREATLY REDUCES WASTE AND UNNEEDED SPENDING. IT ISN'T EASY TO SAY "NO" TO ANY SPENDING PROGRAM -- ESPECIALLY THOSE WITH TANGIBLE BENEFITS -- BUT AS PRESIDENT I AM WILLING TO PROTECT THE OVER-ALL INTERESTS OF THE AMERICAN PEOPLE, AND SAY "NO" TO SELFISH SPECIAL INTERESTS, REGARDLESS OF THE POLITICAL CONSEQUENCES.

BUDGET

THE FEDERAL BUDGET WHICH I PROPOSED ELIMINATES UNNEEDED SPENDING AND WASTE, AND GOES A LONG WAY TOWARD MEETING THE GOAL OF ELIMINATING THE FEDERAL DEFICIT. IT PROVIDES THE AMERICAN PEOPLE WITH THE SERVICE THEY DESERVE, AND ENSURES THAT THEY GET THE MOST FOR EVERY TAX DOLLAR. WE ARE STRENGTHENING OUR COMMITMENT TO SUCH PROGRAMS AS EDUCATION, HEALTH, CIVIL RIGHTS ENFORCEMENTS, JOB TRAINING, AND REVITALIZING OUR URBAN COMMUNITIES. WE ARE MAINTAINING AND IMPROVING NEEDED SOCIAL PROGRAMS. BUT WE ARE CUTTING THE FAT OUT WHEREVER WE FIND IT, TIGHTENING UP OUR BUDGET, AND MAKING SURE THAT OUR GOVERNMENT EFFICIENTLY MEETS THE NEEDS OF OUR PEOPLE. THIS WAS THE FIRST BUDGET FOR WHICH MY ADMINISTRATION HAD A FULL YEAR TO PREPARE, AND IT WAS THE FIRST TO USE ZERO-BASED BUDGETING. WE HAVE SUCCEEDED THROUGH THIS TECHNIQUE IN REDUCING WASTEFUL SPENDING, AND I AM SURE THAT AS IT IS MORE FULLY IMPLEMENTED, WE WILL CONTINUE TO PROVIDE MORE EFFICIENT, LESS-COSTLY SERVICE FOR THE AMERICAN PEOPLE.

(Note: Specific illustrations of effect of Zero-Based Budgeting are coming from OMB)

KEMP-ROTH

THE AMERICAN PEOPLE KNOW THERE'S NO SUCH THING AS A FREE LUNCH. THE DIFFERENCE BETWEEN MYSELF AND CONGRESSMAN KEMP AND SENATOR ROTH ON THIS ISSUE IS SIMPLY A DISAGREEMENT OVER STRATEGY, AND THE REASON WE DISAGREE IS THAT THEIR STRATEGY IS UNSOUND. THEY THINK YOU CAN KEEP SPENDING UNCHANGED AND JUST CUT TAXES WITHOUT PRODUCING AN APPALING BUDGETARY DEFICIT, AND THEY ARE WRONG. TO CUT TAXES ON THE SCALE THEY PROPOSE WOULD AGGRAVATE THE DEFICIT, IGNITE A WILDFIRE OF INFLATION, AND PUNISH EVERY AMERICAN FAMILY WITH PRICE INCREASES THAT WOULD MORE THAN CONSUME ANYTHING THEY MIGHT HAVE SAVED IN TAXES. MY OWN ECONOMIC STRATEGY IS TO START AT THE BEGINNING -- BY RESTRAINING GOVERNMENT SPENDING, SO THAT WE CAN CUT TAXES, AND ELIMINATE THE BUDGET DEFICIT AS A RESULT. I THINK THAT'S A LOT FAIRER AND A LOT MORE LOGICAL.

CAPITAL GAINS

EVERYONE AGREES WE NEED MORE CAPITAL FORMATION -- WE NEED IT TO BOOST PRODUCTIVITY, TO INCREASE EXPORTS, AND TO AVOID INFLATIONARY BOTTLENECKS. THAT'S WHY I INCLUDED A \$7 BILLION CUT IN TAXES ON CAPITAL INCOME AS PART OF MY TAX PROGRAM. BUT CUTTING THE CAPITAL GAINS TAX ITSELF IS NOT THE BEST, NOR THE MOST DIRECT WAY, TO ACCOMPLISH THE GOAL WE ALL FAVOR. IT'S A PREMATURE STEP, AN UNWISE STEP; BUT IF CONGRESS CHOOSES TO GO AHEAD WITH IT, THEY SHOULD UNDERSTAND THAT I AM GOING TO JUDGE THEIR FINAL PRODUCT VERY CLOSELY TO SEE IF IT IS FAIR AND EFFICIENT. IF IT ISN'T -- IF THE BILL THEY PASS LOSES TOO MUCH REVENUE, FAILS TO ENCOURAGE SUFFICIENT CAPITAL FORMATION, OR DOESN'T OFFER ENOUGH HELP FOR MIDDLE-INCOME INVESTORS AND HOMEOWNERS -- THEN I CAN'T SEE ANY REASON WHY I OUGHT TO SIGN IT.

BONN SUMMIT

THE AGREEMENTS REACHED AT THE ECONOMIC SUMMIT WILL MEAN MORE JOBS FOR AMERICAN WORKERS, MORE MARKETS FOR AMERICAN EXPORTS, MORE PROGRESS TOWARD CONTROLLING AMERICA'S ENERGY PROBLEMS. THE KEY TO THIS SUCCESS WAS A SERIES OF COOPERATIVE AGREEMENTS, IN WHICH ALL SIDES AGREED TO HELP EACH OTHER. GERMANY AND JAPAN AGREED TO EXPAND THEIR ECONOMIES, WHICH WILL BOOST OUR EXPORT INDUSTRIES. ALL OUR PARTNERS AGREED ON NEW RULES FOR FREER TRADE, WHICH WILL MEAN LOWER PRICES FOR OUR CONSUMERS. THESE AGREEMENTS WILL NOT SOLVE OUR PROBLEMS OVERNIGHT, BUT THEY GIVE US THE TOOLS WE NEED TO IMPROVE OUR ECONOMIC PERFORMANCE. WHETHER OR NOT WE CAN USE THOSE TOOLS DEPENDS ON OUR PROGRESS IN THE TWO CRUCIAL AREAS OF FIGHTING INFLATION AND REDUCING OUR WASTEFUL IMPORTS OF FOREIGN OIL.

THE DOLLAR

A STRONG AND STABLE DOLLAR IS ESSENTIAL TO OUR PROSPERITY AND TO THAT OF OUR ALLIES. WE EXPECT THE DOLLAR TO STABILIZE DURING THE REST OF THIS YEAR, AND WE'RE GOING TO DO WHAT IT TAKES TO MAKE THAT HAPPEN. MORE THAN ANYTHING ELSE, THAT MEANS CONTROLLING OUR ENERGY PROBLEMS SO THAT WE IMPORT LESS OIL, AND SLOWING OUR RATE OF INFLATION. THOSE ARE THE TWO ESSENTIAL STEPS TOWARD A HEALTHIER ECONOMY AND A MORE STABLE DOLLAR. THE AGREEMENTS WE REACHED AT THE BONN SUMMIT AND AT THE MULTI-LATERAL TRADE NEGOTIATIONS WILL ALSO BOLSTER OUR COMPETITIVE POSITION. OVERALL, THE LONG-TERM OUTLOOK FOR THE DOLLAR IS GOOD.

TRADE

OUR AIM IN THE CURRENT TRADE NEGOTIATIONS AND IN GENERAL IS TO ENCOURAGE FREER TRADE UNDER FAIRER INTERNATIONAL RULES. TODAY'S WORLD ECONOMY IS SO INTERDEPENDENT THAT THIS IS THE ONLY WAY FOR EACH NATION TO ASSURE ITS OWN ECONOMIC WELL-BEING. WE'RE NOT GOING BACK TO PROTECTIONISM. IN THE LAST FEW MONTHS, THE U.S. HAS STARTED TO CORRECT THE TRADE DEFICIT. BUT THE ONLY WAY TO REDUCE IT PERMANENTLY IS TO STOP WASTING AND IMPORTING SO MUCH OIL, TO FIGHT INFLATION, AND TO ASSIGN A HIGH PRIORITY TO EXPANDING EXPORTS.

HUMAN RIGHTS

OUR HUMAN RIGHTS POLICY HAS MADE A DIFFERENCE FOR THE BETTER; THAT IS THE IMPORTANT THING. IT HAS HELPED CHANGE ATTITUDES THROUGHOUT THE WORLD, AND MORE IMPORTANTLY, IT HAS HELPED CHANGE THE ACTIONS OF GOVERNMENTS. LARGELY BECAUSE THE UNITED STATES HAS ONCE AGAIN BEGUN TO EXPRESS ITS MOST BASIC PRINCIPLES IN A FIRM, CLEAR VOICE, EVERY COUNTRY ON EARTH KNOWS THAT ANY INFRINGEMENT OF HUMAN RIGHTS IS GOING TO BE SEEN AND SCRUTINIZED AND JUDGED BY THE CONSCIENCE OF MANKIND. THE EFFECT MAY NOT BE INSTANTANEOUS, BUT BECAUSE GOVERNMENTS KNOW OF OUR CONCERN AND KNOW THAT THEIR ACTIONS CANNOT BE HIDDEN FROM THE EYES OF THE WORLD, TENS OF THOUSANDS OF PEOPLE HAVE BEEN RELEASED FROM JAILS OR SPARED FROM TORTURE.

MIDDLE EAST

OVER THE PAST YEAR AND A HALF, THERE HAVE BEEN
A NUMBER OF SOLID ACHIEVEMENTS IN THIS AREA. WE
HAVE NO ILLUSIONS THAT A CONFLICT WHICH HAS BEEN
GOING ON FOR DECADES WILL YIELD QUICKLY. BUT WE
ARE DETERMINED TO PERSEVERE IN THE BELIEF THAT WE
MUST NOT PERMIT THE PRESENT OPPORTUNITIES FOR PEACE
TO SLIP FROM OUR GRASP.

FAST FACTS ON THE ECONOMY

- More Americans now employed than at any time in history (94.4 million -- July, 1978)
- Unemployment rate in July, 1978 was 6.2%, lowest since 1974.
- In last year, the unemployment rate has fallen 0.7 percentage points, or by about 10 percent
- Since the month before you took office, the unemployment rate has fallen 1.6 percentage points and the number of unemployed has been reduced by 17 percent.
- Inflation rate (CPI) for all goods and services:
 - 4.8 percent in 1976
 - 6.8 percent in 1977
 - 10.4 percent first half of 1978.
- Inflation of food prices:
 - 0.6 percent in 1976
 - 8.0 percent in 1977
 - 18.4 percent first half of 1978.
- Average hourly earnings index, Private Nonfarm Business Sector:
 - 7.1 percent year ending July 1977
 - 8.1 percent year ending July 1978.
- Housing starts, in June 1978, up 0.9 percent from previous month, up 8.7 percent from June, 1977.
- Real GNP growth, annual rate:
 - 5.5 percent in 1977
 - 0.1 percent First quarter, 1978
 - 7.4 percent Second quarter, 1978 (Commerce Department estimate)
- Federal Funds Rate:
 - 4-5/8 percent December 1976
 - 6-1/2 percent December 1977
 - 7-7/8 percent Most recent quotation.

DOMESTIC ACHIEVEMENTS

- I. Major domestic problems, ignored for many years, have been tackled directly and comprehensively:
- a) Energy -- have made the American people realize the seriousness of the world energy situation and the need to take corrective action; four of five bills have been agreed to by conferees, and their passage alone will reduce foreign oil imports by 2.5 million barrels a day by 1985;
 - b) Social Security -- prevented the Social Security system from financial collapse through legislation which re-finances the Social Security system and insures its stability through the next century;
 - c) Urban Policy -- proposed the nation's first comprehensive urban policy; three-fourths of the policy should be passed by the end of this year;
 - d) Farm Bill -- proposed and signed into law a comprehensive farm bill, which will provide stability in the farm markets and decent income for the nation's farmers; that bill's effects are being felt throughout the country now, as farmers enjoy one of the most bountiful and profitable years in history;
 - e) Welfare Reform -- proposed a comprehensive reform of the welfare system, which would create 1.4 million public service jobs by 1981 and would establish a uniform cash assistance program for low-income citizens; while Congress will not pass that proposal this year, considerable progress has been made in an area in which many experts thought reform was not possible; next year, based on the Administration's proposal and work done to date by Congress, the prospects for passage of a sound welfare reform bill are good;
 - f) Civil Service Reform -- proposed the first overhaul of the Civil Service system in 92 years; the essence of the Administration's proposal has passed Senate and House committees, and prospects for enactment this year are extremely good;
 - g) New York City financing -- proposed and signed into law a comprehensive financing assistance program to enable New York City to recover from its financial collapse; this legislation was passed despite initial skepticism that Congress would respond again to helping New York City.

II. The Federal government has been made more efficient and effective through a number of reorganizations and regulatory reforms:

- a) Civil Service Reform
- b) Reorganization Authority -- proposed and signed into law legislation authorizing Executive reorganization; under that authority six reorganization plans have been sent to Congress to date and none has been defeated;
- c) Department of Energy -- created a Department of Energy combining and streamlining parts of seven government entities;
- d) Department of Education -- proposed legislation to create a Department of Education; legislation is now moving forward in Congress, with a reasonable prospect of passage this year;
- e) Airline Deregulation -- taken administrative steps to reduce significantly air fares and to increase competition in the airline industry; proposed legislation to enable the CAB to deregulate significantly the industry; the legislation will be passed this year;
- f) Advisory Committess -- eliminated, or proposed Congressional elimination of, over 40% of the 1200 advisory committees in the Federal government;
- g) Paperwork Reduction -- eliminated gross paperwork burdens imposed by the Federal government by 10% (examples: HEW paperwork burden reduced by 23%, OSHA paperwork burdens by 50%, and standard 1040-A income tax form simplified in a way to eliminate 19 million manhours of paperwork);
- h) Security Classifications -- issued Executive Order eliminating unnecessary classification of government documents providing greater public access to government documents;
- i) Regulation Writing -- issued Executive Order simplifying the writing of regulations and requiring that the author of regulations sign them before their issuance.

III. The economy has been stimulated responsibly, producing an enormous reduction in unemployment and substantial growth throughout the economy:

- a) Economic Stimulus Package -- proposed and signed into law a \$21 billion economic stimulus package, which provided \$4 billion in public works, an expansion of 425,000 public service jobs, \$6 billion in tax reductions, and 200,000 youth jobs;
- b) Unemployment Rate -- has dropped from 8.2% in November of '76 to 6.2% in July of '78; this 2 point drop in the unemployment rate in an 18-month period is one of the largest drops ever recorded in such a short time period by the Bureau of Labor Statistics; unemployment rate is now lower than at any time since 1974 (with the exception of the 5.7% reported in June and the 6.1% recorded early this spring); more Americans are now employed than at any time in history (94.4 million); and 6.5 million jobs have been created since the Administration took office;
- c) Income Taxes -- proposed last year a \$6 billion income tax reduction which was signed into law; have proposed this year a \$20 billion tax cut; while its composition is still being debated in Congress, it seems likely to be passed in about that amount;
- d) Economic Growth -- the most important economic indicators show substantial growth in the 18 months of the Carter Administration: housing starts were up 22%; real GNP is up 7.4%; real disposable income is up 5.4%; auto sales are up 20%; and farm income is up 50%;
- e) Budget Deficit -- made substantial progress toward balancing the budget in the early 1980s; inherited a budget deficit in the \$60 billion range; FY '79 budget deficit will be in the low 40s and FY '80 budget deficit will be in the 30s.

Excluded from automatic
downgrading and
declassification
for preservation purposes

*Since we have to pose question. Not necessary to
go much further.*

I HAVE TO MAKE DECISIONS ON WHAT I THINK IS BEST
FOR THE WHOLE COUNTRY, EVEN IF IT MAY NOT BE THE MOST
POPULAR THING TO DO AT THE TIME.

I WOULD LIKE TO ALWAYS BE ~~ORERULAR~~ POPULAR, BUT THAT IS
NOT THE MOST IMPORTANT THING IN THE WORLD TO ME. I AM
MORE CONCERNED IN MAKING THE RIGHT DECISION AND IN
THE LONG RUN I THINK THE AMERICAN PEOPLE WILL SUPPORT
THAT APPROACH TO GOVERNMENT.

THE WHITE HOUSE
WASHINGTON

August 15, 1978

Stripping --

The attached is forwarded to you
for delivery.

Rick Hutcheson



THE SECRETARY OF THE TREASURY
WASHINGTON

August 14, 1978

MEMORANDUM FOR THE PRESIDENT

Subject: Note from you to Roger Altman

You asked me to remind you that you had wanted to write a note to Roger Altman, our Assistant Secretary for Domestic Finance, who played such a significant role in designing and securing passage of the New York City loan legislation.

This would be a signal honor for Roger, and I know he would appreciate it.

I've enclosed a short draft, from which you might wish to draw.

W. Michael Blumenthal

Enclosure

THE WHITE HOUSE

WASHINGTON

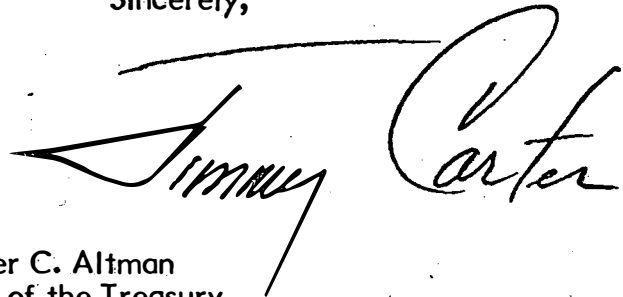
August 15, 1978

To Roger Altman

I have heard from Mike Blumenthal how important you were to our success with the New York City loan legislation. This was a great victory for the City and for the Administration, and I'm grateful for the time, energy, and talents you devoted to the effort, both in designing the bill and in working for it in the Congress.

You were a great help to me in the election campaign, and I'm proud that I can now congratulate you as a fine public servant.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

The Honorable Roger C. Altman
Assistant Secretary of the Treasury
Washington, D.C. 20220

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Henry Owen to Pres. Carter, 1 pg., re: Cong. Vanik & meat imports	8/11/78	A

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File, 8/15/78 Box 99

RESTRICTION CODES

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THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

August 11, 1978

~~CONFIDENTIAL~~ GDSINFORMATION

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY OWEN *HO*

SUBJECT: Congressman Vanik's Request for
Administration Views on Subcommittee
Amendments Regarding Meat Imports

While I have some sympathy with the principle of a counter-cyclical formula for meat imports I am concerned that the Vanik amendments -- even if modified -- would have a restrictive effect on imports. Hence they would contribute to inflation. For that reason, they would also face opposition from American consumers, and weaken our negotiating position vis-a-vis the Japanese and the Australians in the MTN, and cause friction with Costa Rica and other Latin American countries. Finally, I am concerned with the restriction that one of these amendments would impose on your authority.

I conclude, therefore, that we should try to prevent the Vanik amendments from being enacted into law.

I doubt that requesting a deferral of consideration of counter-cyclical formulas would transmit a strong enough signal to Capitol Hill to achieve this purpose. The guidance that it would provide to those Congressmen and Senators whose support we need to resist the Vanik proposals would be too ambiguous to secure the desired result. Nor would it satisfy those seeking greater protection, e.g., the Cattlemen's Association.

I therefore recommend that the Administration oppose the Vanik amendments.

~~CONFIDENTIAL~~

DECLASSIFIED
Per: Rac Project
ESDN: NLC-126-14-3-1-2
BY *KS* NARA DATE *6/11/13*

THE WHITE HOUSE
WASHINGTON

August 15, 1978

TIM KRAFT
JIM GAMMILL

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: NATIONAL COMMISSION ON
SOCIAL SECURITY

THE WHITE HOUSE
WASHINGTON

August 10, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

TIM KRAFT *TK*
JIM GAMMILL *Jim G*

SUBJECT:

National Commission on Social Security

In memoranda of June 30 and July 10, you approved five new members of the National Commission on Social Security.

One member, Evelyn Dubrow, will be unable to serve. We recommend that you nominate another woman.

Elizabeth Duskin is Director of Research for the National Council of Senior Citizens. She is an economist with a background in various areas of social policy. She is highly recommended by Nelson Cruikshank. We feel that she would be an important member of the Commission because of her technical expertise and because of her ties with senior citizens groups.

RECOMMENDATION:

Nominate Elizabeth Duskin as a member of the National Commission on Social Security.

☒ approve

☐ disapprove

J

Elizabeth T. Duskin
4805 Chevy Chase Blvd.
Chevy Chase, MD 20015
Tel. (301) 656-2418 (Home)
(202) 347-8800 (Office)

Date of Birth: 2/6/35
U.S. Citizen

Education: B.A. University of Pennsylvania (Fine Arts)
University of Maryland (Economics)
M.A. University of Maryland (Economics)
Ph.D. candidacy, University of Maryland (Economics)

Experience: Professional background includes experience in broad areas of social policy with particular emphasis on programs and policies affecting the U.S. income distribution. Particular expertise in social and private insurance policies in the U.S. and other Western industrialized nations, income conditioned programs such as AFDC, SSI, food stamps, and health related financing mechanisms such as Medicaid and Medicare. Thoroughly familiar with labor market theory and policies, and public finance theory and practice at the federal, state and local levels.

Current: Director of Research for the National Council of Senior Citizens. Primary responsibilities include policy formation, preparation of expert testimony and issue papers across all areas relevant to the aged population. Prepare materials for the educational benefit of NCSC constituency and general public. Also serve as Congressional liaison.

Previous Experience: Economic Consultant, Federal Council on Aging. Prepared congressionally mandated studies:
(1) designed a revised allocation formula for programs for the aging under the Older Americans Act;
(2) executed a study of the impact of the tax structure on the elderly at the federal, state and local level. Also initiated and participated in a study with the Institute for Research on Poverty, University of Wisconsin, on the question of asset testing in income conditioned programs.

Prior basic and applied research for public and private agencies includes areas of disability programs, Unemployment Compensation, Aid for Dependent Children, Benefit/Cost analysis of day care under AFDC, reexamination of poverty definition, federal allocation formulas, and labor market phenomenon. Familiar with techniques of statistical analysis and measurement; large-scale survey techniques; computer simulations, and computer programming techniques.

Taught micro-economic and macro-economic theory at the undergraduate level.

Affiliations: American Economic Association
American Statistical Association
Gerontological Society
National Tax Association - Tax Institute of America

THE WHITE HOUSE
WASHINGTON

August 15, 1978

FOR THE RECORD:


A copy of the attached was given to Landon Butler

The original was given to a messenger for hand-delivery and a copy with sent to central files.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

MEMORANDUM TO THE PRESIDENT

FROM: LONDON BUTLER 

DATE: AUGUST 15, 1978

SUBJECT: BIRTHDAY GREETINGS TO GEORGE MEANY

With great trepidation, I recommend that you sign
the attached.

THE WHITE HOUSE
WASHINGTON

8/15/78

Mr. President--

Rick Hertzberg and Landon Butler
drafted attached letter for your
signature.

In the event you don't like it
(which I didn't)...I've attached
second draft which I think doesn't
accent as much the negative aspects
or lecture-tone.

Letter needs to be delivered
today.

You may not like either....

--Susan

THE WHITE HOUSE

WASHINGTON

August 15, 1978

To President George Meany

Happy Birthday!

You have never flagged in your lifelong fight for a better America -- a fairer, stronger, more compassionate America. That battle is mine as well. Today is a good time for us to pause and reflect on the goals we share.

You are one of our country's most valuable and committed citizens. In the year ahead, I look forward to continuing to work with you in the service of the nation we both love.

Sincerely,

The Honorable George Meany
President, AFL-CIO
815 16th Street, N.W.
Washington, D.C. 20006

THE WHITE HOUSE

WASHINGTON

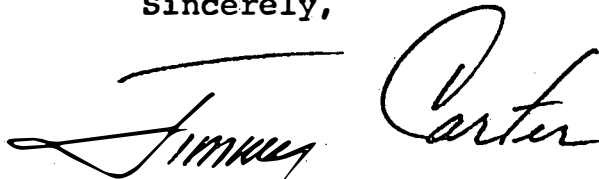
August 15, 1978

To President George Meany

As you celebrate your birthday anniversary today, I would like to join with Americans across the country in recognizing your lifelong work to ensure a better, stronger and more compassionate America -- goals which I share with you. I look forward to continuing our joint efforts in the service of the nation we both love.

With my best personal wishes for a
Happy Birthday!

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

The Honorable George Meany
President, AFL-CIO
815 16th Street, N.W.
Washington, D.C. 20006

THE WHITE HOUSE
WASHINGTON

8/15/78

Mr. President:

Did you give a committment
to Sen. Cranston to do some-
thing for senate candidate
Dwight Jensen in Idaho during
your vacation?

Phil

no
J

THE WHITE HOUSE
WASHINGTON

8/15/78

Mr. President:

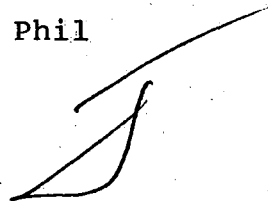
I understand that Cong. Brinkley has requested that you fly into Ft. Benning on this trip home. This can be done but it would require additional WHCA support since they have already set up for Warner Robins to Plains helicopter route.

Do you want to:

- ☒ land at Warner Robins and arrange another trip to land at Ft. Benning
- ☐ land at Ft. Benning

Phil

Tell Jack



THE WHITE HOUSE
WASHINGTON

Rick
Phil had

Seen.

Neil

41
THE WHITE HOUSE
WASHINGTON

August 15, 1978

LES FRANCIS

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

RE: CALL TO CONGRESSMAN
GEORGE MILLER

THE WHITE HOUSE
WASHINGTON
August 14, 1978

*Done
J*

MEMORANDUM FOR THE PRESIDENT

FROM:

LES FRANCIS *W. Francis*

In case you have not previously heard, Congressman George Miller (D-Calif) is in Bethesda Naval Hospital with back trouble (vertebrae and ruptured disc). Miller has been one of our most consistent and loyal supporters (91.1% ranks 59th out of 288 Democrats in the House). A call from you to him would be greatly appreciated.

THE WHITE HOUSE
WASHINGTON

August 15, 1978

FRANK MOORE

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: THE LONG AMENDMENT

THE WHITE HOUSE
WASHINGTON

Good!
J

August 14, 1978

MEMORANDUM TO: THE PRESIDENT
FROM: FRANK MOORE *F.M./BR*
SUBJECT: THE LONG AMENDMENT

By a vote 241 to 153 the House adopted the Obey Amendment to the Long Amendment which cut 2% or \$25 million from the IFI's. The Long Amendment would have cut \$584 million from the IFI's. The Obey Amendment was requested by subcommittee and the Leadership to give Members a political cover. The Administration accepted the Obey Amendment and supported it fully. After the Obey Amendment passed the House rejected the Long Amendment 359 to 27. A major victory.

THE WHITE HOUSE

WASHINGTON

August 15, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Administration Theme

Every Administration needs a positive theme and a rallying issue for the public.

1. JFK stirred our country's energies by a call before a Joint Session of Congress for the positive goal of landing a man on the moon by the end of the 1960s. It gave a sense of focus and direction.

Given the attention you have properly focussed on energy I think we also have an issue with the same potential -- solar energy. It evokes a freedom with dependence on foreign oil with all of its ramifications. This is also a national issue for your constituency -- one in which we are still suspect despite the \$100 million reprogramming announced in Colorado a short time ago.

We have a solar PRM now in the works, at your direction. I believe it will offer the chance for the same dramatic attention as space technology. It would offer the notion of focusing our nation's attention on an issue requiring considerable technology work and give you a rallying cry. If desired, this could be broadened to other energy R & D efforts.

2. "Peace and Prosperity" are always the keys to Presidential success. We have had both -- not a single American soldier has lost his life and the economy is quite prosperous. We have not gotten credit for the attainment of these two goals because we have focused our attention on major structural reforms -- welfare, taxes, health insurance.

I think that for next year's State of the Union address, which will set the theme for the last two years of your first term, you should indicate your Administration should be measured by the extent to which we have established and maintained peace abroad and prosperity at home. It is

a theme as old as politics but one we have never directly evolved. I am increasingly concerned at Congress' inability to handle structural reforms and major social issues. This does not mean we should stop trying -- indeed we need to develop new ways to sell such programs (as we are trying to do with NHI). It does mean we should not have the success of your Administration depend on passage of these reforms because then we place our fate in the hands of people who often seem to care little about it and who lack the capacity to deal with these issues.

cc: Hamilton Jordan
Jerry Rafshoon
Jody Powell
Frank Moore

THE WHITE HOUSE

WASHINGTON

August 14, 1978

MEETING WITH HENRY (HANK) AARON

Tuesday, August 15, 1978

1:05 p.m. (3 minutes)

The Oval Office

From: Tom Beard *Tom*

I. PURPOSE

Brief meeting and photo session.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background and Participants

Hank Aaron, now employed by the Atlanta Braves, was an early and enthusiastic supporter during the Presidential campaign (telethon, Athletes for Carter, personal appearances, Inaugural Concert). He has not been to the White House since the Inaugural.

Aaron is in Washington prior to departing for the Dominican Republic. He leaves with Secretary Vance on August 17 where he will serve as a delegate to the Inauguration of President Guzman.

III. PRESS PLAN

White House photographer with photo release to the press.

1:05 p.m.

THE WHITE HOUSE

WASHINGTON

August 15, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT *TK*
SUBJECT: President's Council on Physical Fitness

I have met with Jerry Apodaca this morning on the President's Council on Physical Fitness and we both agree that you should ask Hank Aaron to serve on this Council.

If you concur, you have the opportunity to do so at your brief meeting with him at 1:05 today.

THE WHITE HOUSE
WASHINGTON

8/15/78

Mr. President --

Jerry Rafshoon says that Griffin
Smith prepared signing statement...
is already leaving employ at
White House....and whose last day
is this Friday.

Since you have spoken to Jerry
about this apparently, do you
still want to see Smith?

--Susan

no
J

9:30 AM

THE WHITE HOUSE

WASHINGTON

August 14, 1978

BILL SIGNING CEREMONY

H.R. 8336 - Chattahoochee River National Recreation Area

Tuesday, August 15, 1978

9:30 a.m.

The Rose Garden

From: Frank Moore

I. PRESS PLAN

Open press coverage

II. SIGNING STATEMENT

Prepared by Jim Fallows

III. PARTICIPANTS

Senate

Sam Nunn

Herman Talmadge

Harrison Williams

James Abourezk, Chairman, Subcommittee on Parks and Recreation

Staff

Thomas B. Williams, Subcommittee on Parks and Recreation

Laura Beatty, Subcommittee on Parks and Recreation

Russell King, Sen. Talmadge's staff

Gordon Giffen, Sen. Nunn's staff

House

Cong. Wyche Fowler

Cong. Ed Jenkins

Cong. Jack Brinkley

Cong. Elliott Levitas

Cong. Dawson Mathis

Cong. Phil Burton, Chairman, Subcommittee on National Parks

Cong. Joe Skubitz, Ranking Republican, Subcommittee on
National Parks

Staff

William Johnstone, Subcommittee on National Parks

*I want to see
whoever "prepared"
the signing
statement
JC*

Cleve Pinnix, Subcommittee on National Parks
Loretta Neuman, Subcommittee on General Oversight

Other

Governor George Busbee (will try to attend)
Mayor Maynard Jackson (will try to attend)

Local Government

Ernest Barrett, Chairman, Cobb County Commission
Harry West, Atlanta Regional Commission
Bill Kroeck, Atlanta Regional Commission

State Government

Commissioner Joe Tanner
Representative Al Burress
Gordon Harrison, Governor's Washington Office
Glenn Davis, Governor's Washington Office
Bob Friedman, Governor's Washington Office
Jack Burris, Governor's Washington Office
Holly Miller, Georgia Department of Natural Resources
Lou Greathouse

Georgia Conservancy

Louise Franklin
Cecil Phillips
Lucy Smethurst

Jane Yarn, Nature Conservancy, Council on Environmental Quality
Jerry Hightower, Georgia Wildlife Federation
Alastair Black, Sierra Club

Friends of the River

Kay and Harold McKenzie (she is running for the state seat
presently held by Republican Senator Paul Coverdale and
stands a very good chance of winning)
Barbara Blum
Schild Grant
Claude Terry
Chattie Wight
Marcia Bansley
Bob Humphries
David Dingle
David Eldridge
David Jones

Lee and Natalie Roach
Sue Metzger
Judy Orthwein
Howard Hoffman
Barbara Goldsmith

Department of Interior

Leo C. Krulitz, representing Secretary Andrus
Ralph Bullard, National Park Service
Roy Wood, Special Assistant to the Secretary, S.E. Region
Robert Herbst, Assistant Secretary, Fish, Wildlife and Parks
John Jingles, Congressional Liaison Office
Joel Pickelner, Special Assistant to the Secretary
Bob Kasperek, Special Assistant to the Secretary
Hope Moore, Special Assistant to the Secretary

THE WHITE HOUSE
WASHINGTON

TALKING POINTS - SIGNING HR 8336 (CHATTAHOOCHE RIVER NATIONAL RECREATION AREA)

1) The people who are gathered here today have one thing in common--they all care about the natural and historic heritage of our nation, and they have invested their time, energy and talent to defend it.

Senators Herman Talmadge and Sam Nunn, and Representatives Wyche Fowler and Elliott Levitas have invested their legislative leadership, and our nation owes them a permanent debt of gratitude. I would also like to express my thanks to Senators Abourezk and Williams and Congressman Phil Burton, and their committee staff.

The representatives that are here from state government, the executive branch, and organizations like Friends of the River and Georgia Conservancy have invested their energies in education, administration, and other ways. This bill is a testament to what can be accomplished when all these groups work together to protect the natural places that should belong to our people in perpetuity.

2) The part of this bill that has the greatest personal meaning to me is the part which establishes the Chattahooche River National Recreation Area. By setting aside a 48-mile stretch of the river for the permanent enjoyment of our people, the bill will make sure that future generations of Americans will enjoy the same wild splendor that past generations of Georgians have known. The area will run from Buford Dam downstream to Peachtree Creek, which is within the city limits of Atlanta.

3) All of us who care about the Chattahooche know that it is valuable not only for its priceless scenery, but also because it provides water for about 25 per cent of the entire state of Georgia. This bill recognizes that part of the river's importance too, for it encourages the State and Federal Governments to cooperate as closely as possible to protect the quality of the river water.

4) The beneficial effects of the bill will even extend beyond Georgia, for it authorizes \$750,000 for the completion of the Fort Scott National Historic Landmark in Kansas. This will be another important physical reminder of our nation's history.

5) At a time when the choices about protecting our environment and preserving our national heritage often seem to be pitched battles between opposing sides, this bill--both in

its legislative history and in the effects it will have--shows how much can be accomplished by partnership and mutual commitment among all interested groups. I am proud of the work that everyone here has done, and I would like to express the gratitude of our nation for the benefits this bill will bring.

STATEMENT BY THE PRESIDENT

H.R. 8336, which I sign today, includes several measures to protect and preserve our national heritage.

Without the longstanding interest and support of Sam Nunn, ^eWych Fowler, and ^{Elliott}Eliot Levitas this day would not have been possible. I am also grateful to Senators Abourezk, Talmadge, and Williams, Congressmen Phil Burton and dedicated Committee Staff, who have worked so hard for passage of this legislation.

By authorizing an additional \$750,000 for the completion of the Fort Scott National Historic Landmark, H.R. 8336 secures for the American people an important physical reminder of our history.

By authorizing a pilot program for the use of vehicles other than private automobiles as transportation in our National Parks, it offers the hope that our fragile natural resources can be seen and enjoyed by as many people as possible without suffering unnecessary harm.

And by establishing a National Recreation Area along a 48-mile stretch of the Chattahoochee River, it makes available to the American people, for their fullest enjoyment, a very beautiful and unique river.

The National Recreation Area will run from Buford Dam downstream to Peachtree Creek, which is within the city limits of Atlanta. H.R. 8336 lets the Federal government recognize this area as an important national resource and it lets the State, through the MRPA, preserve the quality of its water. That aspect of the bill is essential, because the Chattahoochee River supplies water for about 25 per cent of the entire State of Georgia.

Senators
Nunn, Talmadge
and

move
down

delete

Move to
top

This National Recreation Area is a prime example of how the Federal government and State government can work together in a fruitful partnership. ~~I am~~ *am* proud to be able to sign H.R. 8336 and add this great resource to our National Park System.

THE WHITE HOUSE
WASHINGTON

August 15, 1978

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

MEAT IMPORT

cc: C. Schultze

THE WHITE HOUSE
WASHINGTON

8/15/78

Mr. President:

Congressional Liaison
concurs with DPS.

Rick

THE WHITE HOUSE
WASHINGTON

Date: 8/15

TO: RICK HUTCHESON

FROM: LYNN DAFT

For your information _____

PER OUR CONVERSATION

Received too late.

THE WHITE HOUSE
WASHINGTON

August 14, 1978

*Stu -
Let Schultz see
me after lunch
if he has strong
objection*

MEMORANDUM FOR: THE PRESIDENT
FROM: STUART EIZENSTAT *Stu*
LYNN DAFT
SUBJECT: MEAT IMPORT LEGISLATION

In your July 28th meeting with representatives of the cattle industry, you were asked about pending Congressional amendments to the 1964 Meat Import Act. You said that you did not object to the concept of a countercyclical formula for meat imports but did object to the several features of the Bentsen bill that would further restrict international trade. You also indicated that you would oppose any attempt to limit Presidential discretion to suspend quotas, another objectionable feature of the Bentsen bill.

The House Ways and Means Committee is scheduled to act on proposed Meat Import Act Amendments on Tuesday. Chairman Vanik has asked for the Administration's position on amendments proposed last week by his Subcommittee on Trade in advance of the full Committee mark-up tomorrow.

Background

As you know, the Bentsen bill has already passed the Senate, by voice vote, and is awaiting House action. The Administration is firmly on record in opposition to that bill.

Last week, Chairman Vanik's Subcommittee reported a measure which moves part way toward meeting the Administration's objections to the Bentsen bill. The Subcommittee bill would:

- o adopt a countercyclical adjuster, designed by the USDA at the Subcommittee's request;

- o establish a floor of 1.2 billion pounds beneath which the base quota would not be allowed to fall (this is the equivalent of 1.32 billion pounds of permissible imports before the quota is triggered);

- o limit Presidential authority to adjust quotas, providing that they cannot be varied by more than plus or minus 10% of the level of imports agreed to at the beginning of each year;
- o adopt a price index formula to determine when Presidential action could be taken to raise or lower allowable imports, within the plus or minus 10 percent constraint; and
- o close a loophole in the current Act by including certain types of packaged and semi-processed meat that have until now escaped coverage. (This does not include the full range of processed meats covered by the Bentsen bill.)

In addition, the slaughter of imported cattle (now accounting for about 2 percent of total U.S. meat production), would be deducted from domestic meat production when calculating the meat import level. This change would result in a small reduction in permissible meat imports compared with the present formula.

Issues for Decision

Your decision is needed on the two major issues involved in this legislation -- the countercyclical adjuster and limitations on Presidential authority to suspend quotas.

Countercyclical Adjuster

Under existing law, a statutory formula is used to establish the quota for fresh, chilled and frozen beef, veal, mutton and goat meat. The formula sets the quantity of imports at roughly 7 percent of domestic production, with year to year variations in accordance with changes in domestic production. Under the present formula meat quotas tend to increase most when U.S. production is high and prices are low. The quotas tend to contract when U.S. production is low and prices are high. However, the 1964 Act provides authority for suspension of quotas when circumstances warrant. In addition, Presidents may negotiate with meat exporting countries for additional shipments of meat (as was done in 1972-1974 and 1978).

Presidential suspension or increases in the quota are highly unpopular among cattlemen, yet the current law offers no other way to increase meat imports and restrain price inflation when domestic production is low.

This problem law could be corrected by adopting a countercyclical adjuster. A variety of formulas have been suggested. However, many -- including the Bentsen bill -- are objectionable because:

- o they are more restrictive than the current law over a full cattle cycle;
- o they do not respond rapidly enough to changes in the supply situation; and
- o they would often reduce access to the U.S. market below levels acceptable to exporting nations, forcing them to absorb internally the excess in supplies.

The formula adopted by the Trade Subcommittee addresses each of these objections by:

- o permitting prompt adjustment in meat imports when required by domestic conditions;
- o maintaining imports at levels that could be expected under the current law;
- o allowing imports at or above the levels expected under the present law if domestic supplies drop; and
- o assuring exporting countries a minimum level of access to U.S. markets.

An alternative formula was developed by the Office of the Special Trade Representative. It would have permitted less year-to-year variation than the USDA formula. The initial STR formula was considered and rejected by the Trade Subcommittee and is not advocated by STR. Estimated imports under the alternative formulas are compared to those under current law in Table I.

The major pro/con arguments regarding support of the Trade Subcommittee's countercyclical adjuster are as follows:

Pro

- o The formula addresses a longstanding grievance of the U.S. cattle industry -- that the current import formula aggravates the problems of livestock producers when domestic production is high.
- o Meat exporting countries would have greater access to U.S. markets in most years (the 1986 estimate is the only exception) and increased protection from abrupt year-to-year changes in allowable imports.
- o In view of projections of low domestic production and high prices for meat over the next 3-4 years, adoption of a countercyclical formula would probably reduce the need for Presidential suspension of quotas, thereby lessening the political costs and pressures associated with such action.

Con

- o Since instability in domestic meat prices is overwhelmingly the result of changes in domestic production, the countercyclical adjuster will in fact have very little impact on U.S. cattle prices during a liquidation phase of the cattle cycle.
- o Adoption of a countercyclical formula transfers more of the burden of adjusting to changes in our domestic livestock cycle to the major exporting nations (Australia, New Zealand and Argentina). It may be argued that the Trade Subcommittee formula is contrary to the position we have advanced in the MTN -- that exporters should not carry an undue share of the burden of adjusting to variations in production.
- o Australia has registered its strong objection to the adoption of a countercyclical formula such as that proposed in the Bentsen bill. Prior to an Administration announcement on any countercyclical formula both Australia and New Zealand have requested an opportunity for formal consultation.

o The 1964 Meat Import Act is potentially in violation of the General Agreement on Tariffs and Trade. Although we have been able to administer the current law in a way that avoids complaints by our trading partners, it is argued that the adoption of a countercyclical adjuster could increase the likelihood of our violating our commitments under GATT.

Agency Recommendations

The Department of Agriculture and the Office of Special Trade Representatives recommend Administration support of a suitable countercyclical adjuster. Agriculture recommends that we support the formula contained in the Trade Subcommittee bill. STR conditions its support on a 1.3 billion pound floor, a condition satisfied by the Subcommittee bill at the trigger level. The Council on Wage and Price Stability is not opposed in principle to a countercyclical adjuster but feels more analysis is required before making a recommendation.

The Council of Economic Advisors, Treasury, State, the National Security Council, and Esther Peterson all oppose or have serious reservations over a change in the present law. For the most part, their opposition is due to the adverse international relations effects described above and to the possible inflationary impact.

DPS Evaluation and Recommendation

We believe the advantages of supporting the Trade Subcommittee's countercyclical adjuster outweigh the disadvantages if two conditions are met: (1) it must be accompanied by an effective import floor of 1.3 billion pounds, and (2) in exchange for Administration support of the countercyclical adjuster the full committee agrees to retain Presidential discretion to suspend import quotas when necessary.

If these conditions are met, the adjuster would help both to stabilize our domestic livestock markets and to avoid repeated criticism over the next 3-4 years for permitting additional meat imports. At the same time, your flexibility to respond to undue inflationary pressures would be retained. This approach would permit increases in meat imports in 1979 and 1980 without a politically damaging decision in each year to suspend the quota. STR agrees that these benefits outweigh the adverse impact that this decision could have on negotiations in the MTN. NSC disagrees.

Although we will have to take special measures to reassure Australia and New Zealand over our position, we believe the countercyclical adjuster would benefit them more than their policymakers realize. It would provide for smoother year-to-year changes in imports, for a floor quota, and slightly higher imports over in the upcoming years. We would make clear our intention to administer the law in a way that would avoid any violation of GATT (through negotiation of voluntary restraint agreements).

Presidential Authority to Suspend Quotas

The Trade Subcommittee bill includes a provision that repeals existing Presidential authority to suspend meat import quotas. In place of current discretionary authority, it provides for a mechanical formula that would limit imports to those permitted through use of a price ratio between the farm price of cattle and the retail price of beef and veal. While limitations on Presidential authority to suspend meat import quotas have been pressed more strongly by the livestock industry than any other amendments to the 1964 Act, your advisors unanimously recommend that you strongly oppose this provision. If it appears in an enrolled bill, we anticipate that at least some of your advisors would recommend a veto.

Decisions

- ☒ Oppose limits on Presidential authority to suspend meat import quotas (USDA, Treasury, State, OMB, CWPS, CEA, NSC, Esther Peterson, DPS)
- ☐ Support limits on Presidential authority to suspend quotas
- ☐ Support countercyclical adjuster (USDA, STR)
- ☒ Support countercyclical adjuster if Ways and Means Committee preserves Presidential discretion to suspend import quotas (DPS) & 1.3 b, 1 lb. floor &
- ☐ Oppose countercyclical adjuster (CEA, Esther Peterson, Treasury, State, and NSC) *USDA formula*

TABLE 1:

Imports into the United States, Current Law Quantities and Alternative formulas

Year	Current Law				Alternative Countercyclical formulas					
	Base Quota	Trigger Level Q + 10%	Actual Imports		5 yr/3 yr ratio: Revised '64 Act: (STR)	5 yr/2 yr Ratio: (USDA)	10 yr/2 yr Ratio: (Bentson)			
	(1) Mil.lb.	(2) Mil.lb. Pct	(3) Mil.lb. Pct.		(4) Mil.lb. Pct.	(5) Mil.lb. Pct.	(6) Mil.lb. Pct.			
1969.....	988	1087 6.8	1084 6.8		1264 7.9	1257 7.9	1033 6.5			
1970.....	999	1099 6.8	1171 6.5		1195 7.4	1277 7.8	1094 6.7			
1971.....	1025	1128 6.9	1133 7.2		1269 7.6	1306 7.9	1195 7.3			
1972.....	1042	1147 6.9	1356 6.8		1264 7.6	1314 7.8	1227 7.4			
1973.....	1047	1152 7.3	1356 8.6		1289 8.2	1301 8.3	1267 7.4			
1974.....	1028	1131 6.6	1079 6.3		1259 7.4	1221 7.1	1165 6.8			
1975.....	1074	1182 6.5	1209 6.6		1202 6.6	1084 6.0	957 5.3			
1976.....	1121	1233 6.3	1232 6.3		1219 6.2	1093 5.6	888 4.6			
1977.....	1165	1282 6.8	1250 6.6		1274 6.8	1317 7.0	772 4.1			
1978.....	1184	1302 7.2	1492 8.3		1448 8.0	1506 8.3	1010 5.6			
Total....	10675	11742 6.8	13213 7.7		12683 7.3	12677 7.1	10608 6.2			
1979.....	1107	1236 7.4	1650* 9.9		1553 9.3	1677 10.1	1379 8.3			
1980.....	1060	1176 7.2	1625* 9.9		1530 9.4	1739 11.0	1529 9.4			
1981.....	1039	1140 6.9	1675* 10.0		1508 9.1	1602 10.0	1493 9.0			
1982.....	1060	1152 6.7	1152 6.7		1397 8.1	1384 8.1	1452 8.5			
1983.....	1086	1195 6.6	1195 6.6		1395 7.7	1289 7.1	1469 8.1			
1984.....	1113	1252 6.6	1252 6.6		1336 7.0	1280 6.7	1402 7.4			
1985.....	1157	1325 6.5	1325 6.5		1341 6.6	1208 5.9	1271 6.2			
1986.....	1225	1404 6.5	1404 6.5		1342 6.2	1202 5.6	1039 4.8			
1987.....	1225	1451 6.9	1451 6.9		1371 6.5	1323 6.3	1045 4.5			
1988.....	1273	1388 7.9	1388 7.9		1467 8.3	1621 9.2	1222 6.9			
Total....	11563	12719 6.9	14117 7.7		14159 7.7	14325 7.6	13301 7.3			

1. Average Annual Imports 1968-1977 $\times \frac{3 \text{ yr Moving Average Domestic Beef Production}}{10 \text{ yr Average (1968-1977) Dom. Beef Production}}$ $\times \frac{5 \text{ yr Moving Average Cow Beef Production}}{3 \text{ yr Moving Average Cow Beef Production}}$
2. Average Annual Imports 1968-1977 $\times \frac{3 \text{ yr Moving Average Domestic Beef Production}}{10 \text{ yr Average (1968-1977) Dom. Beef Production}}$ $\times \frac{5 \text{ yr Moving Average Cow Beef Production}}{2 \text{ yr Moving Average Cow Beef Production}}$
3. 1964 Law $\times \frac{10 \text{ Yr Moving Average Cow Beef Production}}{2 \text{ Yr Moving Average Cow Beef Production}}$
4. 1964 Law $\times \frac{5 \text{ yr Moving Average Cow Beef Production}}{2 \text{ yr Moving Average Cow Beef Production}}$

*Assumes quota suspended in the 3 years of the 10-year cycle in which domestic production is lowest.

9:13 AM

THE WHITE HOUSE
WASHINGTON

August 14, 1978

MEETING WITH BILL BONER (CONGRESSIONAL CANDIDATE, 5TH
DISTRICT, TENNESSEE)

Tuesday, August 15, 1978
9:13 a.m. (two minutes)
The Oval Office

FROM: FRANK MOORE *f.m./br*

I. PURPOSE

A photo with the President for use in campaign materials.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: Bill Boner won a five-way primary on August 3 to become the Democratic candidate in Tennessee's 5th District, a seat which was vacated by the death of Clifford Allen on June 18. The district includes Nashville and two small rural counties. It is heavily Democratic, and the election is virtually settled in the primary.

Boner, 33, of Nashville, unseated an incumbent to win an election for the state Senate in 1976. He is a former college basketball coach and a member of the Fellowship of Christian Athletes. He has developed an active, youth-oriented organization.

Boner's Republican opponent is Bill Goodwin, 40, the vice president of the Tennessee Oil and Gas Company in Nashville. He was at one time the press secretary to former Senator Bill Brock.

Boner is clearly the heavy favorite in this race.

B. Participants: Bill Boner and his four year-old daughter, Christy.

C. Press Plan: White House photographer

III. TALKING POINTS

A. Barring some unexpected development, Boner is the next Congressman from this district.

9:10 AM

THE WHITE HOUSE

WASHINGTON

August 14, 1978

MEETING WITH CONGRESSIONAL CANDIDATE, RUBEN BROOKS (43-CA)

Tuesday, August 15, 1978

9:10 a.m. (2 minutes)

The Oval Office

FROM: FRANK MOORE

f.m./pb

I) PURPOSE

A photo with the President

II) BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: Brooks is the Democratic candidate for Congress in the 43 District of California. He will face conservative Republican incumbent, Clair Burgener in the general election. Brooks is a young (28) lawyer practicing in San Diego. He won his June 6 primary with just over 38% of the vote. Brooks is a political newcomer and will attempt to use this to his advantage. He is having finance problems and is given little chance of defeating Burgener this time around. This district includes the suburbs of San Diego as well as the Imperial Valley. Burgener's conservative voting record is in line with the attitudes of most of his constituents. Burgener won re-election in 1976 with 65% of the vote.

B. Participants: The President and Ruben Brooks

C. Press Plan: White House photographer

III) TALKING POINTS

A. Usual courtesies

EYES ONLY

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

August 14, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CCS*

Subject: Industrial Production in July

Tomorrow (Tuesday, August 15) at 9:30 a.m., the Federal Reserve Board will release its estimate of industrial production in July.

Total industrial production is estimated to have risen a moderate 0.5 percent last month, the same as the revised estimates for May and June. Growth in industrial output has been slower in the past three months than in March and April, when production losses from January and February were being made up.

	<u>Total Industrial Output</u>	<u>Output of Business Equipment</u>
	(Change in Percent)	
January	-.6	-.9
February	.3	1.0
March	1.2	2.1
April	1.6	1.2
May	.5	.6
June	.5	.7
July	.5	.9

Output in most lines of industry rose moderately in July. One area that has shown greater-than-average strength is output of business capital equipment, which has risen at about a 9 percent annual rate during the past three months. With consumer spending displaying some weakness in recent months, this strength in production of capital goods is providing welcome support for overall economic expansion.



~~Electronically Copy Made
for Preservation Purposes~~

ADMINISTRATIVELY CONFIDENTIAL -- PERSONAL
NOT FOR CIRCULATION

THE WHITE HOUSE

WASHINGTON

August 15, 1978

C

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

Meeting with Congressman Bolling

At your request, I met with Congressman Bolling. He is engaging, committed to support your Administration, and will be increasingly powerful as the new Chairman of the Rules Committee.

He made the following points:

1. He was critical of the White House for not recognizing what he called "legislative subtleties" and continuing to make mistakes such as not returning telephone calls from Congressmen.
2. He said the Congressional relations staff should be organized on a regional basis rather than an issue by issue basis as they are now, so that members of the staff could develop permanent relationships with a group of Members, rather than getting shifted around from bill to bill. He said he helped JFK set up a similar system and would be glad to work with Frank on doing so.
3. Although he has long-favored comprehensive national health insurance, he now feels you are on the right track. He said a big NHI program would be shot down in the current climate because of its enormous cost and thus favored an incremental approach to take the country toward that goal step-by-step. He did not like the idea of a comprehensive bill with Presidential discretion to trigger-in later, previously legislated, phases.

THE WHITE HOUSE
WASHINGTON

August 15, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE *F. Moore*

Nancy, the kids and I plan to go to Sarasota, Florida this Thursday evening, August 17. My family plans to stay one week. However, I plan to stay until Sunday the 20th and then play it day-by-day from then on in terms of when I will return.

The White House operators will have my telephone number at all times, and I can be back to Washington very quickly. Of course, if anything unusual develops on natural gas, I will delay my departure.

THE WHITE HOUSE
WASHINGTON

August 15, 1978

To the President
Fy1
ADMINISTRATIVELY
CONFIDENTIAL *J. n.*

MEMORANDUM TO: FRANK MOORE
FROM: LES FRANCIS *Les Francis*
SUBJECT: Representative Bill Clay

With great help from Pat Carroll, who worked with the Scheduling Office, we have compiled a list of meetings to which Representative Bill Clay has been invited. Unfortunately, this is not a complete list since we often do not know who actually attends many meetings.

- 9/7/77 Black Caucus
- 6/9/77 Regional Meeting for Missouri, Arkansas, Illinois, Kentucky, Texas and Oklahoma
- 4/6/78 Invited to the bill signing ceremony for H.R. 5383, the Age Discrimination bill; did not attend.
- 4/18/78 The President called Clay -- there are no records on the subject, but I assume it was Civil Service Reform
- 4/25/78 Post Office and Civil Service Committee Meeting on Civil Service Reform (he was invited several times and finally agreed to attend with the second group of House Democrats)
- 4/26/78 Invited to the Black Caucus meeting -- didn't attend
- 6/14/78 Invited to the reception for Black businessmen -- didn't attend
- 6/27/78 Invited to a meeting on the Turkish Arms embargo -- didn't attend
- 8/14/78 Invited to accompany the President to Missouri for the Mid-Continent Farmers' Association Speech -- did not accept

In addition, Representative Clay has been offered tickets to the President's Box at the Kennedy Center. He declined the first offer, but on April 26, 1978, he accepted four tickets to see the Mikado.

Congressman Clay did attend the dinner in honor of President Kuanda on May 17, 1978. He was invited to, but did not attend, either the White House Congressional picnic last year or the "Promenade" in May, 1978.

THE WHITE HOUSE
WASHINGTON

August 15, 1978

C

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

Stu

SUBJECT:

Vernon Jordan's Statement About
The Administration's Urban Policy

Over the past several months, my staff and I have tried to make the Urban League more aware of the Administration's efforts on urban policy, civil rights and other issues of interest to black leaders -- and to make the point that we can't pass our strong legislative program without help from its beneficiaries. The culmination of these efforts was a five-hour session that my staff, Bunny Mitchell and an OMB staffer had with the Executive Directors of the Urban League last week.

As the attached article indicates, there has been some movement in the Urban League position. While still critical of the Administration, ("the Administration, though it supports many of the things we want, does not fight hard enough for them") Vernon Jordan's speech to the Urban League Convention this year recognized our "many positive moves" over the last year and is savagely critical of Congress.

INCREASING YOUR
MANAGEMENT, SALES
RELATIONS &
on your ability to deal
your way of thinking. C

ECARNEC

TO:
 • Effectively
 • Increase & Confidence
 • Fear
 • Make Br
 • Think Or
 • Overcom
 • Memory
 • Talk Bet
 • Ideas

Presented by Louis A. Johnson

Los Angeles Times
 8/7/78

Angel
 LA 8/7/78

MONDAY MORNING

Urban League Chief Bitterly Raps Congress

But Notes Significant
 Improvement in Carter
 Policies Toward Poor

BY AUSTIN SCOTT
 Times Staff Writer

The president of the National Urban League lashed out bitterly at Congress Sunday, calling it "callous," "intransigent" and "do-nothing" on issues vitally important to minorities and the poor.

Vernon E. Jordan Jr. also called for a "massive coalition" of black and brown voters to stave off what he called "... the full fruition of a national backlash against the poor and minorities" by electing more sympathetic politicians.

Jordan said he sees a "basic reneging on the promises of the 1960s" in a broad and continuing pattern of national and local developments "deeply subversive of the interests of the poor and America's minorities."

He labeled it a "new negativism," which he said manipulates legitimate worries over high taxes, inflation, and urban problems and also subtly plays on irrational class and racial fears in an attempt to weaken the government, push blacks out of cities and end affirmative action.

It represents, he said, "... an America that has lost its capacity for caring and sharing, an America that has lost its compassion for the least among us, an America that doesn't want to be reminded of the ideals that made it great."

The points were made in a keynote speech Jordan prepared for delivery to the League's 68th annual conference, being held in the Convention Center.

In his keynote speech to last year's conference, Jordan provoked President Carter's anger by criticizing the Administration for not fulfilling his campaign promises to minorities and the poor.

This time, he said, "we note significant improvement" from the Administration. "We still have some criticisms to make, but there are also strong positives to stress." This time Congress caught the full fury of a speech which said over and over again that America has lost the commitment to morality and justice that civil rights leaders were able to build on in the 1960s.

"It is disgraceful that a nation with 40 million poor people crying out for food, jobs and homes should have its
 Please Turn to Page 18, Col. 4

Urban League President Bitterly Assails Congress

Continued from First Page

congressional representatives more concerned with preserving the remnants of colonialism in Panama, and conferring still more benefits on the wealthy," he said.

"This Congress is considering amendments to destroy affirmative action compliance. This Congress has one of the worst equal employment opportunity records of any American institution. This Congress refuses to act on welfare reform, energy, Civil Service reform, and other key bills. This Congress spouts rhetoric about fiscal responsibility while wasting federal funds by refusing to target them to those most in need."

Despite limited gains made by some minorities, Jordan said, "by any measure, equality for the majority of black people remains an elusive ideal."

"There is the old economic notion that a rising tide lifts all boats," Jordan said. "Our theory is that a rising tide lifts only those boats in the water, and that black people are in the dry dock of this economy."

Jordan said he has not discussed his call for a black and Hispanic voter coalition with other minority group leaders.

"This is a proposal we are floating in the air, we hope it's going to catch fire," he told a Sunday news conference. He said he hopes black and Hispanic leaders will be interested enough to meet and discuss the idea.

"For too long blacks and browns have been played against each other," he said in his speech. "... By uniting in a coalition we can defend our rights and help our people out of the deprivation that afflicts them. ... A black and brown voting coalition will have both Democrats and Republicans singing a different tune 'em a soul song with a Latin beat."

Jordan credited the Carter Administration with "many positive moves" over the last year, including reorganized civil rights enforcement efforts, moves against redlining, proposed welfare reforms, proposed national urban policy, increased public jobs programs and endorsement of the Humphrey-Hawkins bill, which would make full employment a national goal.

"The Carter Administration is the first in a decade whose doors have

been truly open to black people, whose concern is evident and whose policies have been tilted towards meeting the needs of America's poor and minorities," he said.

The problem, he said, is that the Administration, "though it supports many of the things we want, does not fight hard enough for them."

"We haven't seen the kind of massive drive mounted for full employment or for urban policy that we saw for the Panama Canal Treaty and the Middle East arms deal."

Asked to grade the performance of Congress and the Administration, Jordan said the Administration was barely passing and Congress was failing.

Jordan ticked off a long list of criticisms of Congress.

Its mood, he said, reflects "a sickness" in the country:

"We are now reaping the bitter harvest of a decade of negativism, 10 long years of withdrawal from the struggle to remake our society," he said.

"The Second Reconstruction that gave black people some measure of progress and sparked bright hopes is dead. In its place we have a new national debate raging. ... This debate pits a no-longer silent, but still selfish, majority against minorities."

California's Proposition 13 is not only a symbol of that new debate, Jordan said, but a good example of how it is being carried out. He laid part of the blame on Gov. Brown's shoulders.

"Proposition 13 was sold to middle-class homeowners as a way to control escalating property taxes," he said. "But the big winners were corporations, large landowners, and the federal treasury. The big losers will be minorities and the poor, who will ultimately face a loss of newly won jobs and social services."

Some voted for it for tax protest reasons, while others did so for racist reasons, Jordan said. He said it illustrated a "failure of leadership."

"A tax revolt was inevitable in a state that victimized homeowners through an unfair tax system, allowed speculative land prices to govern property tax receipts, and allowed massive revenue surpluses to pile up."

"The tragedy is twofold: Poor people were caught in the middle, and a negative national movement to destroy effective government got a boost in the arm."

VITAL RECORDS

Deaths, Funeral Announcements | Deaths, Funeral Announcements
LAX, Mary, beloved aunt of SUEBEN, Yvette, ...

In Sports

Burt Hooton pitched a four-hitter; Reggie Smith beat San Francisco, 5-1, the Dodgers beat, (Part 3, Page 1.)

Carney Lansford drove in the winning run with a single in the last of the ninth and the Angels beat Minnesota, 4-3, (Part 3, Page 1.)

President Carter, says James ...
patrick, skips nimbly over ...
we should have national health insurance at all. (Part 2, Editorial Section.)

Have we stopped writing letters for fear of putting our thoughts on paper or is it just easier to telephone? (Part 2, Editorial Section.)

Maheffer birdied the second hole Tom Watson and

KEYNOTE ADDRESS

By

VERNON E. JORDAN, JR.

PRESIDENT

NATIONAL URBAN LEAGUE

AT THE

1978 (68TH) NATIONAL URBAN LEAGUE ANNUAL CONFERENCE

LOS ANGELES CONVENTION CENTER

LOS ANGELES, CALIFORNIA

SUNDAY, AUGUST 6, 1978

THE NEW NEGATIVISM

TEN YEARS AGO, THE KERNER COMMISSION REPORT STATED: "WHAT WHITE AMERICANS HAVE NEVER FULLY UNDERSTOOD -- BUT WHAT THE NEGRO CAN NEVER FORGET -- IS THAT WHITE SOCIETY IS DEEPLY IMPLICATED IN THE GHETTO. WHITE INSTITUTIONS CREATED IT, WHITE INSTITUTIONS MAINTAIN IT, AND WHITE SOCIETY CONDONES IT."

TODAY, A DECADE LATER, OUR SOCIETY STILL MAINTAINS, CONDONES, AND PERPETUATES RACIALLY-BASED DISADVANTAGE. INSTEAD OF MARKING THE START OF A NEW ERA OVERCOMING THE DISMAL HERITAGE OF RACIAL OPPRESSION, THE KERNER REPORT WAS NEGLECTED, LEFT TO GATHER THE DUST OF INDIFFERENCE.

DESPITE THE LIMITED GAINS MADE BY SOME, THE BITTER FACT REMAINS THAT MOST BLACK PEOPLE ARE NO BETTER SITUATED IN OUR SOCIETY TODAY THAN WE WERE WHEN THE KERNER COMMISSION INDICTED RACISM AND MADE ITS PLEA FOR AMERICA TO CHANGE. BY ANY MEASURE, EQUALITY FOR THE MAJORITY OF BLACK PEOPLE REMAINS AN ELUSIVE IDEAL.

THIS EXPLAINS THE CONTINUING IMPATIENCE SO MANY BLACK PEOPLE FEEL TOWARD THE CARTER ADMINISTRATION. THE MANY POSITIVE MOVES MADE BY THE ADMINISTRATION IN THE PAST YEAR ARE SIMPLY NOT COMMENSURATE WITH THE URGENT NEED FOR STRONG NATIONAL LEADERSHIP IN A CRUSADE TO END POVERTY AND SAVE OUR CITIES.

IT IS CLEAR HOWEVER, THAT THE CARTER ADMINISTRATION IS THE FIRST IN A DECADE WHOSE DOORS HAVE BEEN TRULY OPEN TO BLACK PEOPLE, WHOSE CONCERN IS EVIDENT, AND WHOSE POLICIES HAVE BEEN TILTED TOWARDS MEETING THE NEEDS OF AMERICA'S POOR AND MINORITIES. THIS ADMINISTRATION HAS, IN THE PAST YEAR, RE-ORGANIZED CIVIL RIGHTS ENFORCEMENT, MOVED AGAINST REDLINING, TRIED TO TARGET URBAN DEVELOPMENT MONIES, PROPOSED WELFARE REFORMS AND AN URBAN POLICY. IT HAS ENDORSED THE HUMPHREY-HAWKINS BILL AND INCREASED PUBLIC JOB PROGRAMS THAT HAVE BEEN DIRECTLY RESPONSIBLE FOR PREVENTING EVEN GREATER UNEMPLOYMENT IN THE BLACK COMMUNITY. IT HAS BEEN TEN YEARS SINCE WE LAST HAD AN AMERICAN PRESIDENT WHO DEMONSTRATED THIS MUCH RESPONSE TO MINORITIES.

BUT EVEN THIS ADMINISTRATION, FOR ALL OF ITS CONCERN FOR THE INTERESTS OF BLACK PEOPLE, CAN LAPSE INTO INSENSITIVITY.

THERE SEEMS TO BE INDIFFERENCE AT HEW FOR EXAMPLE,
TO THE IMPORTANCE OF CENTRAL INSTITUTIONS IN OUR
COMMUNITY SUCH AS THE BLACK COLLEGES.

HEW IS NOW DEALING WITH LIFE-AND-DEATH RULINGS
ON SMALL, STRUGGLING BLACK COLLEGES. THEY MAY BE SMALL,
THEY MAY BE IN FINANCIAL DIFFICULTIES, BUT THEY HAVE
PERFORMED AND CONTINUE TO PERFORM A MONUMENTAL TASK. THE
BLACK COLLEGES HAVE GIVEN US OUR BEST AND OUR BRIGHTEST.
THEY OFFER OPPORTUNITIES TO POOR YOUNG PEOPLE WHO WOULD
OTHERWISE BE DENIED A COLLEGE EDUCATION. YES, THERE
ARE THOSE WHO LOVE THEM AND NEED THEM. IF HEW ALLOWS
THOSE SCHOOLS TO GO UNDER, THIS ADMINISTRATION WILL BE
REMEMBERED FOR BURYING THOSE BASIC BLACK INSTITUTIONS.

AND THIS ADMINISTRATION, THOUGH IT SUPPORTS MANY OF
THE THINGS WE WANT, DOES NOT FIGHT HARD ENOUGH FOR THEM.
THE ADMINISTRATION APPARENTLY LACKS THE WILL TO PUT ITS
POWER AND ITS PRESTIGE ON THE LINE FOR ISSUES VITAL TO
MINORITIES AND TO POOR PEOPLE. WE HAVEN'T SEEN THE KIND
OF MASSIVE DRIVE MOUNTED FOR FULL EMPLOYMENT OR FOR URBAN
POLICY THAT WE SAW FOR THE PANAMA CANAL TREATY AND THE

MIDDLE EAST ARMS DEAL. AND WHEN THE BAKKE DECISION WAS ANNOUNCED, THE PRESIDENT HIMSELF SHOULD HAVE GONE ON NATIONAL TELEVISION TO MAKE A FORCEFUL DECLARATION OF HIS ADMINISTRATION'S COMMITMENT TO AFFIRMATIVE ACTION. HE SHOULD HAVE USED THE MORAL RESERVES OF HIS GREAT OFFICE TO REASSURE BLACK PEOPLE AND TO EDUCATE THE PUBLIC TO THE CONTINUING NEED FOR AFFIRMATIVE ACTION.

FINALLY, WE ARE DEEPLY CONCERNED ABOUT THE ADMINISTRATION'S IMAGE OF DRIFT, AMBIGUITY, AND CONFUSION. WE DO NOT SHARE THE OFTEN-HEARD DOUBTS ABOUT THE ADMINISTRATION'S ABILITY TO GOVERN. BUT WE ARE TROUBLED BY SUCH DOUBTS, FOR UNLESS THE ADMINISTRATION IS PERCEIVED AS STRONG AND COMPETENT, IT WILL LOSE THE MORAL AND POLITICAL POWER TO ENHANCE EQUAL OPPORTUNITIES FOR MINORITIES.

DESPITE OUR IMPATIENCE WITH THE ADMINISTRATION, WE HAVE GREATER PROBLEMS WITH A CALLOUS CONGRESS, MARKED BY INACTION AND INTRANSIGENCE. IT IS DISGRACEFUL THAT A NATION WITH FORTY MILLION POOR PEOPLE CRYING OUT FOR FOOD, JOBS, AND HOMES SHOULD HAVE ITS CONGRESSIONAL REPRESENTATIVES MORE CONCERNED WITH PRESERVING THE REMNANTS OF COLONIALISM IN PANAMA, AND CONFERRING STILL MORE BENEFITS ON THE WEALTHY.

IT'S DISGRACEFUL FOR CONGRESSIONAL LEADERSHIP TO GRAB CHEAP HEADLINES BY ATTACKING ANDREW YOUNG. WHEN SENATOR BYRD SAYS HE'LL GIVE ANDY YOUNG ONE MORE CHANCE, WE SAY WE'LL GIVE SENATOR BYRD ONE MORE CHANCE TO LAY OFF ANDY YOUNG AND START WORKING TO GET HIS DO-NOTHING SENATE TO PASS CONSTRUCTIVE LEGISLATION. ANDY YOUNG HAS DONE MORE FOR AMERICA'S IMAGE AND DIPLOMACY THAN THE WHOLE CONGRESS. WHAT ANDY SAID ABOUT THE RUSSIAN TRIALS MAY HAVE BEEN ILL-TIMED AND UNFORTUNATE, AS HE HIMSELF ADMITTED. BUT WE SAY TO THE CONGRESS AND TO THE AMERICAN PEOPLE; "HE'S OUR ANDY YOUNG, WE LOVE HIM, WE RESPECT HIM, WE SUPPORT HIM, AND THIS NATION NEEDS HIM."

THIS CONGRESS IS TRYING TO WEAKEN THE HUMPHREY-HAWKINS BILL WITH IRRELEVANT, CRIPPLING AMENDMENTS. THIS CONGRESS HAS STRIPPED FROM POOR WOMEN THE FREEDOM OF CHOICE AFFLUENT WOMEN HAVE REGARDING ABORTIONS. THIS CONGRESS IS CONSIDERING AMENDMENTS TO DESTROY AFFIRMATIVE ACTION COMPLIANCE. THIS CONGRESS HAS ONE OF THE WORST EQUAL EMPLOYMENT OPPORTUNITIES RECORDS OF ANY AMERICAN INSTITUTION. THIS CONGRESS REFUSES TO ACT ON WELFARE REFORM, ENERGY, CIVIL SERVICE REFORM, AND OTHER KEY BILLS. THIS CONGRESS SPOUTS RHETORIC ABOUT FISCAL RESPONSIBILITY WHILE

WASTING FEDERAL FUNDS BY REFUSING TO TARGET THEM TO THOSE MOST IN NEED.

THIS CONGRESS' REFUSAL TO TARGET FEDERAL FUNDS IS A FORM OF SABOTAGE, UNDERMINING PROGRAMS DESIGNED TO HELP POOR PEOPLE BECOME SELF-SUFFICIENT IN OUR SOCIETY. CETA, FOR EXAMPLE, WAS DESIGNED TO GIVE JOBS AND SKILLS TO THE LONG-TERM UNEMPLOYED AND THE ECONOMICALLY DISADVANTAGED. CONGRESS HAS THE RESPONSIBILITY TO ASSURE THAT THE LEGISLATIVE INTENT IS FULLY IMPLEMENTED, AND TO RESIST CRIPPLING AMENDMENTS WHICH WOULD SUBVERT CETA'S PURPOSE.

THIS CONGRESS IS TRYING TO WIPE OUT HUD'S EFFORTS TO TARGET COMMUNITY DEVELOPMENT FUNDS. CONGRESS WANTS TO LET LOCAL OFFICIALS SPEND MONIES INTENDED FOR POOR NEIGHBORHOODS ON MORE AFFLUENT COMMUNITIES.

THIS CONGRESS SEEMS OBSESSED WITH PASSING A TUITION TAX CREDIT THAT WOULD PROVIDE A SMALL MEASURE OF TAX RELIEF FOR SOME FAMILIES. BUT IT WOULD ALSO UNDERMINE PUBLIC EDUCATION, HELP RESEGREGATE THE PUBLIC SCHOOLS, AND SHRINK LOAN AND SCHOLARSHIP FUNDS FOR THE POOR.

SO THE POLITICAL PROCESS IS SIMPLY NOT WORKING IN THE INTERESTS OF BLACK AND BROWN PEOPLE. OUR JOB IS TO MAKE IT WORK FOR US. OUR JOB IS TO REMOVE THOSE CONGRESSMEN WHO VOTE AGAINST OUR INTERESTS, WHO OFFER AMENDMENTS THAT TAKE FOOD OUT OF THE MOUTHS OF POOR PEOPLE. AND WE'VE GOT THE NUMBERS TO DO THAT JOB.

THERE ARE ABOUT FORTY MILLION BLACK AND BROWN PEOPLE IN AMERICA. FOR TOO LONG BLACKS AND BROWNS HAVE BEEN PLAYED AGAINST EACH OTHER. BLACK AND HISPANIC PEOPLE HAVE BEEN VICTIMIZED BY DISCRIMINATION, BY POVERTY AND BY EXPLOITATION. BUT BY UNITING IN A COALITION WE CAN DEFEND OUR RIGHTS AND HELP OUR PEOPLE OUT OF THE DEPRIVATION THAT AFFLICTS THEM.

SO TONIGHT I AM CALLING FOR HISPANIC PEOPLE AND BLACK PEOPLE TO COME TOGETHER IN A COALITION TO MARCH TO THE REGISTRATION OFFICES AND TO THE VOTING BOOTHS, A MARCH OF BALLOTS THAT SAYS TO DEMOCRATS AND REPUBLICANS ALIKE: IF YOU CAN COUNT AND IF YOU WANT TO WIN ELECTIONS, YOU'VE GOT TO DEAL WITH OUR NEEDS.

A MASSIVE BLACK-BROWN VOTING COALITION CAN ENSURE THAT THE NATION CHANGES ITS PRIORITIES. A MASSIVE BLACK-BROWN

VOTING COALITION CAN CHANGE THE COMPOSITION OF THIS CALLOUS CONGRESS IN NOVEMBER. IN 1978 AND IN 1980, A BLACK AND BROWN VOTING COALITION WILL HAVE BOTH DEMOCRATS AND REPUBLICANS SINGING A DIFFERENT TUNE -- A SOUL SONG WITH A LATIN BEAT.

MASSIVE BLACK AND BROWN PARTICIPATION IN THE ELECTORAL PROCESS IS VITAL IF OUR NATION IS TO OVERCOME THE CONTINUING CRISIS OF CONFIDENCE IN NATIONAL LEADERSHIP AND NATIONAL INSTITUTIONS. THE POISONOUS LEGACY OF VIETNAM AND WATERGATE HAVE ENGENDERED SUSPICIONS NOT ONLY OF THE ABUSE OF POWER, BUT ALSO OF THE LEGITIMATE AND NECESSARY USE OF GOVERNMENT ACTION TO MAKE AMERICA A MORE JUST AND EQUAL NATION.

WE ARE NOW REAPING THE BITTER HARVEST OF A DECADE OF NEGATIVISM, TEN LONG YEARS OF WITHDRAWAL FROM THE STRUGGLE TO REMAKE OUR SOCIETY. THE SECOND RECONSTRUCTION THAT GAVE BLACK PEOPLE SOME MEASURE OF PROGRESS AND SPARKED BRIGHT HOPES IS DEAD. IN ITS PLACE WE HAVE A NEW NATIONAL DEBATE RAGING, A DEBATE THAT HOLDS PROFOUND CONSEQUENCES FOR AMERICA'S MINORITIES. THIS DEBATE PITS A NO-LONGER SILENT, BUT STILL SELFISH, MAJORITY AGAINST MINORITIES.

THE DEBATE IS ABOUT KEY ISSUES -- THE ROLE OF GOVERNMENT, INFLATION VERSUS UNEMPLOYMENT, THE FUTURE OF OUR CITIES, AND AFFIRMATIVE ACTION. BUT THE EMOTIONS GO A LOT DEEPER. THE MOVEMENT TOWARD GREATER ECONOMIC AND RACIAL EQUALITY TOUCHED A RAW NERVE IN AMERICAN LIFE. WE ARE NOW WITNESSING THE FULL FRUITION OF A NATIONAL BACKLASH AGAINST THE POOR AND MINORITIES, A BACKLASH FUELED BY SELFISH VINDICTIVENESS THAT IS FRAGMENTING OUR SOCIETY, A BACKLASH I CALL THE NEW NEGATIVISM.

IN THE 1960S THERE WAS A GENERAL CONSENSUS SHARED BY WHITES AND BLACKS ALIKE, THAT AN ACTIVIST GOVERNMENT SHOULD ACHIEVE FULL EMPLOYMENT, REVERSE THE EFFECTS OF DISCRIMINATION, AND REVITALIZE THE CITIES. TODAY THAT CONSENSUS HAS BEEN SHATTERED. IN ITS PLACE WE SEE THE FORMATION OF A NEW NEGATIVISM IN AMERICA THAT CALLS FOR A WEAK, PASSIVE GOVERNMENT; INDIFFERENCE TO THE PLIGHT OF THE POOR; ABANDONMENT OF AFFIRMATIVE ACTION, AND LETTING THE CITIES TWIST SLOWLY, SLOWLY IN THE WIND.

MAKE NO MISTAKE ABOUT IT. RACE IS CENTRAL TO THE RISING SUPPORT OF THE NEW NEGATIVISM. PEOPLE ARE NOT MERELY SAYING "No" TO HIGH TAXES AND INFLATION, THEY ARE SAYING "No" TO INCLUSION OF BLACK AND BROWN PEOPLE INTO

THE MAINSTREAM. AND BEHIND THAT "No" ARE THE VESTIGES OF A RACISM THAT BLIGHTS AMERICAN LIFE AND CASTS A LONG SHADOW OVER OUR PRETENSIONS TO SPEAK ON BEHALF OF HUMAN RIGHTS THROUGHOUT THE WORLD.

SUPPORTERS OF THE NEW NEGATIVISM HAVE HAD A FREE RIDE, MISLEADING THE PUBLIC ABOUT THE REAL NATURE OF THE ISSUES, CAPITALIZING ON LEGITIMATE GRIEVANCES, AND AT THE SAME TIME SUBTLY PLAYING UPON IRRATIONAL CLASS AND RACIAL FEARS. WE CANNOT LOSE THIS BATTLE FOR AMERICA'S MIND AND CONSCIENCE BY DEFAULT; RATHER WE MUST AGGRESSIVELY FIGHT FOR OUR RIGHTS AND CONTEST THE ISSUES. THOSE ISSUES DO NOT EXIST IN A VACUUM. THEY HAVE POWERFUL IMPLICATIONS FOR THE FUTURE OF AMERICA.

A CENTRAL PILLAR OF THE NEW NEGATIVISM HAS BEEN LABELLED THE "TAX REVOLT." AND THE SYMBOL OF THAT REVOLT IS PROPOSITION 13. PROPOSITION 13 WAS SOLD TO MIDDLE CLASS HOMEOWNERS AS A WAY TO CONTROL ESCALATING PROPERTY TAXES. BUT THE BIG WINNERS WERE CORPORATIONS, LARGE LANDOWNERS, AND THE FEDERAL TREASURY. THE BIG LOSERS WILL BE MINORITIES AND THE POOR, WHO WILL ULTIMATELY FACE A LOSS OF NEWLY-WON JOBS AND SOCIAL SERVICES. MANY PEOPLE WHO VOTED FOR PROPOSITION 13, WERE PROTESTING AGAINST A TAX SYSTEM THEY

PERCEIVED AS UNFAIR. BUT MANY OTHERS DID SO FOR RACIST REASONS.

PROPOSITION 13 MAY SERVE AS AN ILLUSTRATION OF THE SELFISHNESS OF SOME VOTERS, BUT IT ALSO ILLUSTRATES A FAILURE OF LEADERSHIP. A TAX REVOLT WAS INEVITABLE IN A STATE THAT VICTIMIZED HOMEOWNERS THROUGH AN UNFAIR TAX SYSTEM, ALLOWED SPECULATIVE LAND PRICES TO GOVERN PROPERTY TAX RECEIPTS, AND ALLOWED MASSIVE REVENUE SURPLUSES TO PILE UP. THE TRAGEDY IS TWOFOLD -- POOR PEOPLE WERE CAUGHT IN THE MIDDLE, AND A NEGATIVE NATIONAL MOVEMENT TO DESTROY EFFECTIVE GOVERNMENT GOT A BOOST IN THE ARM.

FOR THE TAX REVOLT IS AN OMINOUS EXAMPLE OF THE NEW NEGATIVISM. MANY STATES HAVE PASSED TAX AND SPENDING LIMITS. CONGRESS IS LIKELY TO PASS A REDUCTION IN THE CAPITAL GAINS TAX, WHICH ALREADY GIVES FAVORABLE TREATMENT TO THE AFFLUENT. CONGRESS IS ALSO CONSIDERING A MEASURE TO CUT TAXES BY A THIRD OVER THE NEXT FEW YEARS. AND 22 STATES HAVE BACKED ADOPTION OF A CONSTITUTIONAL AMENDMENT BARRING FEDERAL DEFICITS.

UNDER COVER OF A MOVEMENT TO CUT TAXES, THE REAL PURPOSE IS TO CUT GOVERNMENT SPENDING. THAT MEANS SPENDING ON PROGRAMS THAT HELP POOR PEOPLE SURVIVE, HELP UNEMPLOYED PEOPLE GET WORK AND HELP CHILDREN GET A BETTER EDUCATION. THE WAR ON TAXES IS A DISGUISED WAR ON THE POOR.

WE NEVER HEAR MANY OF THOSE TAX PROTESTORS ARGUE FOR CUTS IN THE MILITARY BUDGET OR IN FARM SUBSIDIES. IS WASTE OR INEFFICIENCY ONLY FOUND IN SOCIAL PROGRAMS THAT HELP PEOPLE IN NEED? WHY IS IT SUPPOSED TO BE WASTEFUL TO SUBSIDIZE PUBLIC HOUSING BUT NOT WASTEFUL TO BUILD EVER-MORE DESTRUCTIVE WEAPONS? YES, THE WAR ON TAXES IS REALLY A WAR ON EFFECTIVE GOVERNMENT, A WAR ON MEETING THE NEEDS OF POOR PEOPLE.

AND IT IS A WAR ENCOURAGED BY OUR LEADERS. FOR THE PAST TEN YEARS PUBLIC OFFICIALS HAVE DENIED GOVERNMENT'S ABILITY TO DEAL WITH AMERICA'S PROBLEMS. WE HEAR TALK ABOUT "THE ERA OF LIMITS" WHEN WE SHOULD BE TOLD THAT THIS IS AN "ERA OF POSSIBILITIES." WHEN

LEADERS TELL US THAT GOVERNMENT CANNOT SOLVE OUR PROBLEMS, ELIMINATE POVERTY OR REDUCE INFLATION, THEY ENCOURAGE THE NEW NEGATIVISM.

OUR LEADERS HAVE TO RESIST THE POLITICALLY-EXPEDIENT TEMPTATION TO JUMP ON THE BANDWAGON AND RIDE ROUGHSHOD OVER THE NEEDS OF THE POOR. INSTEAD, THEY SHOULD WORK FOR A REFORMED, MORE EQUITABLE TAX STRUCTURE AND MAKE MAXIMUM, EFFICIENT USE OF PUBLIC RESOURCES TO MEET PRESSING HUMAN NEEDS.

WE HEAR A LOT ABOUT BALANCED BUDGETS AND ZERO-BASED BUDGETING. IT'S NOW TIME TO HAVE PEOPLE-BASED BUDGETING THAT MAKES PEOPLE NEEDS THE PRIORITY. INSTEAD OF TOSSING REVENUES INTO A BIG POT AND DISTRIBUTING THEM TO GROUPS THAT HAVE POWER, INFLUENCE AND WEALTH, THOSE RESOURCES SHOULD BE RE-ALLOCATED ACCORDING TO NEED. A PEOPLE-BASED BUDGETING PROCESS WOULD ENSURE THAT REVENUES ARE TARGETED WHERE THEY ARE NEEDED AND NOT WASTED.

ANOTHER MAJOR ISSUE IN THE DEBATE OVER AMERICA'S FUTURE IS THE ISSUE OF INFLATION VERSUS UNEMPLOYMENT. THE NEW NEGATIVISM SAYS THAT FULL EMPLOYMENT CAUSES INFLATION. THAT ARGUMENT IS AN ECONOMIC MYTH, AN EXCUSE TO TOLERATE HIGH UNEMPLOYMENT. WITH THE UNDERSTATED OFFICIAL UNEMPLOYMENT

RATES STILL AROUND SIX PERCENT -- AND MORE THAN DOUBLE THAT FOR BLACKS -- JOBLESS RATES ARE NOWHERE NEAR ANY SANE DEFINITION OF FULL EMPLOYMENT.

WE'VE GOT TO SEPARATE THE ISSUES OF INFLATION AND JOBS. TODAY'S INFLATION ISN'T CAUSED BY TOO MANY JOBS. IT IS CONCENTRATED IN LIFE'S ESSENTIALS. FOOD, HOUSING, HEALTH AND ENERGY COSTS ARE RISING AT DOUBLE THE RATE OF NON-ESSENTIAL ITEMS. CONTROLLING INFLATION MEANS STRONG PUBLIC AND PRIVATE MEASURES TO BRING COSTS OF THE BASICS BACK IN LINE. WE CANNOT ALLOW THE MYTHS ABOUT INFLATION TO RESULT IN ANOTHER ROUND OF INDUCED RECESSION, NOT WHILE BLACK PEOPLE STILL SUFFER DEPRESSION-LEVEL UNEMPLOYMENT.

THIS IS A SURVIVAL ISSUE FOR BLACK PEOPLE. RECORD NUMBERS OF BLACKS ARE JOBLESS AT A TIME WHEN THE MEDIA PORTRAY THE UNEMPLOYMENT PROBLEM AS SOLVED AND AT A TIME WHEN MANY ECONOMISTS ARE PREDICTING A FULL-SCALE RECESSION BY EARLY 1979. A FOURTH OF BLACK PEOPLE CAN'T FIND WORK TODAY -- WHAT CHANCE WILL THEY HAVE IN ANOTHER RECESSION?

WE SAY THE WAY TO PUT THE BRAKES ON INFLATION IS TO MAKE OUR SOCIETY MORE PRODUCTIVE. WE SAY THE MAIN THRUST SHOULD BE TO CREATE JOBS AND TO INCREASE BUSINESS INVESTMENT THAT PRODUCES

PRIVATE SECTOR JOBS. WE SAY THAT A POLICY OF CONTROLLING COSTS OF ESSENTIALS TIED TO A POLICY OF PUTTING THE JOBLESS BACK TO WORK WILL CREATE HEALTHY ECONOMIC GROWTH FOR EVERYONE.

WE REJECT ANY PUBLIC POLICY THAT WOULD INCREASE THE BURDENS OF THE POOR WHO ALREADY PAY TWICE -- FIRST, WITH INFLATIONARY PRICES FOR BASIC NEEDS, AND SECOND WITH CRUSHING UNEMPLOYMENT LEVELS. ANY ATTEMPT TO ENGINEER ANOTHER RECESSION IS UNACCEPTABLE. ANY EFFORT TO MANIPULATE THE PUBLIC'S JUSTIFIED FEARS OF INFLATION BY MAKING JOB AND SOCIAL PROGRAMS THE SCAPEGOAT IS UNACCEPTABLE.

ANOTHER KEY ISSUE IN THE NATIONAL DEBATE IS THE ISSUE OF THE FUTURE OF OUR CITIES. HERE AGAIN, IS A BASIC SURVIVAL ISSUE FOR BLACK AND BROWN PEOPLE. AND HERE AGAIN IS AN ISSUE IN WHICH RACISM, RAW GREED, AND MORAL IRRESPONSIBILITY CONSPIRE IN AN ATTEMPT TO PERPETUATE MINORITY DISADVANTAGE.

A CENTRAL PRINCIPLE OF THE NEW NEGATIVISM IS THAT CITIES WILL HAVE TO BE SMALLER, THEIR ECONOMIES REDUCED, AND THEIR POPULATIONS WELL-EDUCATED MIDDLE CLASS PEOPLE. LOCAL OFFICIALS SUPPORT THIS, FOR THEY SEE AN EXPANDED TAX BASE AND A SHARPLY LOWER LEVEL OF SOCIAL SERVICES FOR POOR PEOPLE AS THE PAY-OFF. SPECULATORS ARE ALREADY COUNTING THE PROFITS OF HIGHER LAND

VALUES AND THE CONVERSION OF MODERATE INCOME HOUSING TO LUXURY DEVELOPMENTS. AND SELF-STYLED URBAN EXPERTS PROVIDE THE INTELLECTUAL RESPECTABILITY FOR THIS LAND-GRAB WITH POMPOUS DECLARATIONS OF THE NEED TO ABANDON WHOLE NEIGHBORHOODS.

POLITICAL AND BUSINESS LEADERS MUST UNDERSTAND THAT THEY ARE DEALING WITH SOCIAL DYNAMITE HERE. A BLACK COMMUNITY THAT WAS RELATIVELY PASSIVE IN THE FACE OF URBAN RENEWAL IN THE 1950s IS VASTLY CHANGED TODAY. IT IS NOT ABOUT TO TOLERATE POLICIES THAT WILL PUSH POOR PEOPLE DEEPER INTO CROWDED GHETTOS AND TO THE OUTSKIRTS OF THEIR CITIES.

URBAN POLICY MUST BE FRAMED IN THE INTERESTS OF THE MINORITIES AND THE POOR WHO NOW LIVE IN THE CITIES. WE REJECT THE IMPLICIT RACISM THAT SAYS THE WAY TO SAVE CITIES IS TO REPLACE THE PEOPLE WHO LIVE IN THEM. THE PROBLEMS OF THE CITIES ARE NOT CAUSED BY THE PEOPLE IN THE CITIES, THEY ARE CAUSED BY WHAT OUR SOCIETY HAS DONE AND CONTINUES TO DO TO THOSE PEOPLE.

FEDERAL POLICIES BUILT THE ROADS, INSURED THE HOUSES, AND PROVIDED THE ECONOMIC AND EDUCATIONAL OPPORTUNITIES THAT ENABLED THE WHITE MIDDLE CLASS EXODUS TO THE SUBURBS, AN EXODUS FROM WHICH BLACKS WERE BARRED. NOW PUBLIC AND PRIVATE POLICIES ENCOURAGE A REVIVAL OF DYING CITIES FOR THE BENEFIT OF THE PEOPLE AND INTERESTS THAT CREATED THE URBAN CRISIS IN THE

FIRST PLACE. AND AGAIN, THIS PLANNED REVIVAL INTENDS TO EXCLUDE THE BLACK POOR.

WE CONTEND THAT THIS MEANS OF SOLVING THE URBAN CRISIS IS NO SOLUTION AT ALL. URBAN PROBLEMS ARE PEOPLE PROBLEMS. MAKING THE CITIES MIDDLE CLASS BEGINS WITH HELPING THE PEOPLE WHO LIVE IN THE CITIES BECOME MIDDLE CLASS. THAT MEANS PROVIDING JOBS, TRAINING, DECENT HOUSING AND HEALTH CARE, AND EDUCATIONAL OPPORTUNITIES. THUS, THE ADMINISTRATION'S URBAN POLICY SHOULD BE JUST THE FIRST STEP TOWARD THE FULL-SCALE DOMESTIC URBAN MARSHALL PLAN WE NEED.

IF THERE IS ANY ISSUE THAT THE NEW NEGATIVISM HAS MADE ITS OWN, IT IS THE WAR AGAINST AFFIRMATIVE ACTION. TOO MANY WHITE CITIZENS SIMPLY DON'T UNDERSTAND ITS MEANING AND ITS IMPORTANCE TO BLACK AND BROWN PEOPLE. AND SOME, THE CHAMPIONS OF THE NEW NEGATIVISM, UNDERSTAND IT ONLY TOO WELL. TO REFUSE TO MAKE THE NECESSARY SPECIAL EFFORTS TO HELP BLACK PEOPLE OVERCOME HISTORIC AND PRESENT DISADVANTAGE IS TO PERPETUATE THAT DISADVANTAGE, TO FREEZE IT AS A BITTER LEGACY FOR GENERATIONS YET UNBORN.

THE URBAN LEAGUE MOVEMENT CONTINUES TO INSIST THAT EFFECTIVE AFFIRMATIVE ACTION, INCLUDING WHAT SOME WOULD CALL QUOTAS, IS A LEGITIMATE AND APPROPRIATE WAY TO

ACCELERATE THE MOVEMENT OF BLACK PEOPLE INTO THE SCHOOLS, JOBS AND PROFESSIONS FROM WHICH THEY HAVE BEEN EXCLUDED AND IN WHICH THEY CONTINUE TO BE UNDERREPRESENTED.

DESPITE OUR DISAPPOINTMENT IN THE BAKKE DECISION, BLACK PEOPLE DID NOT "LOSE" THE BAKKE CASE. WE MAY NOT HAVE WON THE VICTORY WE WANTED, BUT WE AVERTED A DEFEAT OF CRUSHING MAGNITUDE. THE COURT BACKED RACE AS A FACTOR IN AFFIRMATIVE ACTION PLANS. IT UPHOLD THE KINDS OF PLANS IN EFFECT IN MOST UNIVERSITIES. THE COURT'S PAST RECORD OF ENDORSING RACIALLY-BASED REMEDIES FOR RACIALLY-BASED DISCRIMINATION SUGGESTS IT WILL UPHOLD AFFIRMATIVE ACTION PLANS NOW UNDER CHALLENGE. ITS ACTION IN THE AT&T CASE AND SOME OF THE POINTS MADE IN THE VARIOUS BAKKE OPINIONS SUPPORT AN OPTIMISTIC OUTLOOK.

THE REAL DANGER OF BAKKE LIES LESS WITH WHAT THE COURT SAID THAN WITH WHAT PEOPLE THINK IT SAID. THERE IS A DANGER THAT THE VERY UNIVERSITY AND CORPORATE OFFICIALS WHO HAD TO BE PRESSURED TO TAKE EVEN MINIMAL AFFIRMATIVE ACTION STEPS WILL SIEZE ON THE AMBIGUITIES OF BAKKE TO WEAKEN THEIR COMMITMENT. WE MUST RESIST THE SPREAD OF A CHILLING EFFECT THAT COULD OPERATE TO FREEZE BLACK PEOPLE OUT OF OPPORTUNITIES NEWLY OPENED TO US.

MINORITIES AND ALL AMERICANS NEED REASSURANCES THAT THE BAKKE DECISION WILL NOT SLOW THE MARCH TOWARD EQUAL OPPORTUNITY. WE NEED TO HEAR FROM THOSE VOICES OF POWER WHOSE DEAFENING SILENCE ON THE SUBJECT IS SO DISTURBING. WE NEED TO HEAR FROM GOVERNMENT, LABOR, EDUCATION AND CORPORATE LEADERS. WE NEED TO HEAR THEM DECLARE, CLEARLY AND UNMISTAKABLY, THAT THEY WANT AFFIRMATIVE ACTION PROGRAMS AND THAT THEY WILL REDOUBLE THEIR EFFORTS TO INCLUDE THE PEOPLE ONCE EXCLUDED FROM AMERICA'S INSTITUTIONS.

WE WANT TO HEAR BOLD WORDS AND ACTION PLANS FROM THE TOP, FORTHRIGHT AND UNEQUIVOCAL IN THEIR DETERMINATION TO STRENGTHEN AFFIRMATIVE ACTION.

THE NEW NEGATIVISM OPPOSES OUR STRUGGLE TO CREATE A MORE JUST SOCIETY, A SOCIETY IN WHICH BLACK PEOPLE, BROWN PEOPLE, AND ALL OF AMERICA'S POOR TAKE THEIR EQUAL PLACE. IT CONDEMNS OUR RIGHTFUL QUEST FOR JOBS AND HEALTHY CITIES.

THE NEW NEGATIVISM IS A REACTIONARY COUNTER-REVOLUTION AGAINST THE PROGRESSIVE IDEALS AND ACCOMPLISHMENTS OF THE PAST. IT IS CHARACTERIZED BY OVERT GREED AND IMPLICIT RACISM. IT THREATENS THE INTERESTS OF MINORITIES AND OUR ASPIRATIONS FOR A BETTER LIFE. AND IN ITS DENIAL OF MORAL IDEALS AND HUMANE VALUES THE NEW NEGATIVISM THREATENS THE LEGITIMACY OF AMERICA'S INSTITUTIONS.

THE RISE OF THE NEW NEGATIVISM TELLS US SOMETHING ABOUT THIS AMERICA OF OURS. THE NEW NEGATIVISM REPRESENTS AN AMERICA THAT HAS LOST ITS CAPACITY FOR CARING AND SHARING, AN AMERICA THAT HAS LOST ITS COMPASSION FOR THE LEAST AMONG US, AN AMERICA THAT DOESN'T WANT TO BE REMINDED OF THE IDEALS THAT MADE IT GREAT. THE NEW NEGATIVISM REPRESENTS AN AMERICA THAT IS SO WRAPPED UP IN SELFISH PRIVATISM THAT IT IS IN DANGER OF LOSING ITS SOUL, ITS CHARACTER, ITS HONOR.

IN THE 1960s WE SAW AN AMERICA THAT DEMONSTRATED ITS MORAL FIBRE BY STRUGGLING TO OVERCOME ITS HERITAGE OF RACISM AND, THROUGH CARING AND CONCERN, BROUGHT ABOUT A REBIRTH OF THE IDEALS OF LIBERTY, FREEDOM AND EQUALITY. IN THE 1970s THAT AMERICA SEEMS TO HAVE LOST ITS STRENGTH OF PURPOSE. AMERICA'S BOLD RESOLUTION TO DO RIGHT BY ITS MINORITIES SEEMS TO HAVE SOURED INTO A FEAR OF ACTING HUMANELY. IN THE 1960s AMERICA OPENED ITS HEART TO THE PROSPECT OF A OPEN, PLURALISTIC, INTEGRATED SOCIETY. IN THE 1970s, IT APPEARS TO WANT TO SLAM THE DOOR SHUT AGAINST THE HOPES AND DREAMS OF ITS MINORITIES.

SO THE REAL QUESTION OF THE 1970s IS WHETHER AMERICA CAN LEARN TO CARE AGAIN, CAN LEARN TO BE MORAL AGAIN, CAN RECOVER HER IDEALS AND OVERCOME THE MALIGNANT STRAIN OF THE NEW NEGATIVISM.

THROUGHOUT OUR HISTORY BLACK PEOPLE HAVE BEEN THE CUSTODIANS OF AMERICA'S MORALITY. IN THE DUNGEONS OF SLAVERY AND IN THE CHAINS OF OPPRESSION, IT HAS BEEN BLACK PEOPLE WHO KEPT ALIVE THE FLAME OF FREEDOM'S IDEALS, WHO GAVE OUR COLD SOCIETY THE WARMTH OF CARING, WHO GAVE AMERICA SOUL.

NOW, IN THE DARK 1970s IT IS BLACK PEOPLE AGAIN WHO ARE IN THE VANGUARD, CALLING AMERICA BACK TO ITS TRUE SELF. ONCE AGAIN, IT IS BLACK PEOPLE WHO OFFER AMERICA THE URGE TO COMPASSION AND THE DRIVE TO DECENCY THAT ALONE CAN SAVE OUR NATION FROM BECOMING A SOULESS SOCIETY, DOMINATED BY BRUTE FORCE AND CRAVEN SELFISHNESS.

ONCE AGAIN, WHEN OUR FELLOW -CITIZENS ARE LOSING HOPE AND PARTING FROM THEIR BELIEF IN JUSTICE, IT IS BLACK PEOPLE WHO RETAIN THEIR FAITH IN THE AMERICAN DREAM, WHO NURTURE AMERICA'S IDEALS AND HER CAPACITY TO DO RIGHT. ONCE AGAIN WE ARE CHARGED WITH THE NEED TO DEMONSTRATE THE STRENGTH THAT COMES FROM ADVERSITY, TO LEAD THE FIGHT AGAINST NEGATIVISM, TO DISCOVER THE LIGHT HIDDEN BY THE DARKEST CLOUDS.

WE RETAIN OUR HOPE AND FAITH, OUR STRENGTH IN A BITTER TIME, BECAUSE WE KNOW OUR CAUSE IS JUST. OURS IS A

MORAL CAUSE THAT SEEKS TO PRESERVE AND PROTECT THE IDEALS
OUR SOCIETY STRIVES TOWARD.

TWO HUNDRED YEARS AGO AMERICANS MADE A REVOLUTION, BUT THEY
DIDN'T COMPLETE IT. THEY STOOD AT THE FORKED ROAD TO THE FUTURE
AND TOOK THE WRONG PATH; A PATH THAT LED TO SLAVERY, TO RACISM,
AND TO DENYING FREEDOM AND LIBERTY TO BLACK PEOPLE. NOW WE'RE
AT ANOTHER CROSSING IN THE ROAD. ANOTHER PATH TO CHOOSE. AND
WE OF THE URBAN LEAGUE ARE TELLING AMERICA NOT TO GO DOWN THE SAME
OLD ROAD. WE OF THE URBAN LEAGUE ARE TELLING OUR NATION TO TAKE
THE PATH OF RIGHTEOUSNESS, OF JUSTICE, OF FREEDOM AND EQUALITY.

WE OF THE URBAN LEAGUE MOVEMENT ARE SAYING TO AMERICA TO LET
JUSTICE ROLL DOWN LIKE WATER, AND RIGHTEOUSNESS, LIKE A MIGHTY
STREAM. WE ARE SAYING TO AMERICA "EVERY VALLEY SHALL BE EXALTED,
AND EVERY MOUNTAIN AND HILL SHALL BE MADE LOW, THE CROOKED PLACES
MADE STRAIGHT AND THE ROUGH PLACES MADE PLAIN."

YES, WE ARE SAYING TO AMERICA "HATE EVIL AND LOVE GOOD,
AND ESTABLISH JUSTICE WITHIN THE GATES."

AS AMERICA STRUGGLES TO DO RIGHT, ACT RIGHT, AND BE RIGHT,
WE PRAY: "GOD BLESS AMERICA, STAND BESIDE HER AND GUIDE HER
THROUGH THE NIGHT WITH THE LIGHT FROM ABOVE, FROM THE MOUNTAINS
TO THE PRAIRIES TO THE OCEANS WHITE WITH FOAM. GOD BLESS AMERICA,
OUR HOME, SWEET HOME."

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